



ILG BREXIT GUIDE

With the deadline for Britain's exit from the EU fast approaching, the scenario that awaits companies trading goods in Europe remains unclear. All we can say with any certainty is that nothing is certain. In such circumstances, the only responsible policy is to prepare for the worst.

What you can do before March 2019

A 'no deal' Brexit is likely to have a profound effect on the movement of goods between the UK and EU countries. We're advising our customers to start preparing now to mitigate the following areas of potential impact:

Customs and administration

HMRC currently handles around 90 million import/export declarations per year relating to territories outside the EU. In the event of no deal, that number would increase to 300 million.

What you can do: Accurate admin will help to avoid inaccurate customs declarations, saving a lot of time and money. Make sure your commodity codes are kept up to date and check whether your goods need an export license. We have vast experience of delivering to the rest of the world and can advise you in preparing your systems for the customs requirements.

Port congestion

More administration at customs will cause congestion at the ports, leading to delays in delivery schedules.

What you can do: Talk to your supply chain about lead times and stock building and start thinking about making adjustments to your delivery terms in order to manage customer expectations.

Transport and licensing

Changes in rules governing vehicles and driver approval could lead to a transport shortage. If you have all your dispatch eggs in one basket, this could pose a serious threat to delivery times.

What you can do: Talk to your logistics partner about delivery options and make sure they can offer alternatives, so that if there are backlogs at the ports or driver shortages, you can switch to airfreight to make sure your goods reach their destination on time. We have good relationships with a range of different carriers and can freely choose the best option in any circumstances.

Warehouse space

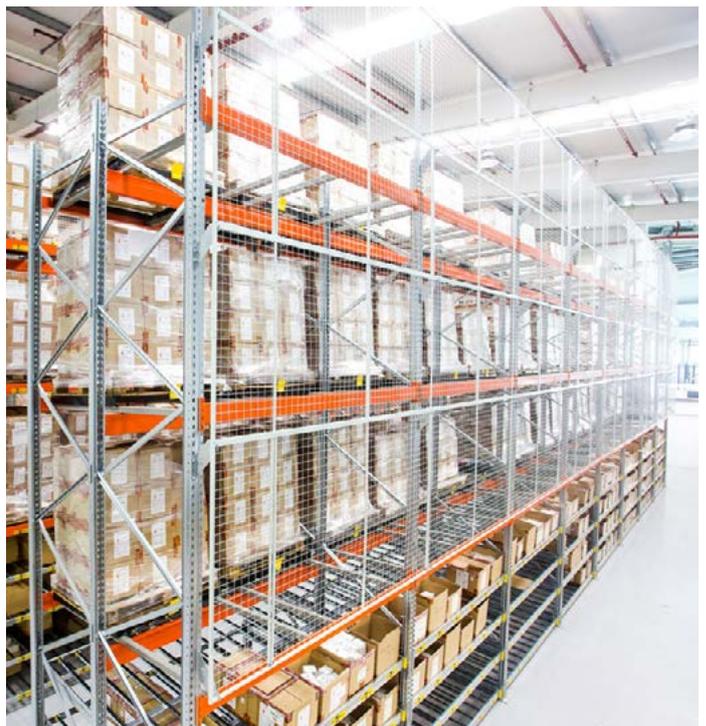
With increased lead times, the 'just in time' supply chain model may change, forcing retailers to hold more stock.

What you can do: Make sure you and your supply chain are prepared, should the need to stockpile arise. Talk to your warehousing partner about access to extra warehouse space, where that facility is and their capacity to handle the extra stock management. Give them plenty of notice of any planned increases in stock and check with your suppliers that they can meet the demand. With our parent company, we have warehouse space in both the UK and other EU countries, so we can hold your stock where you need it or split stock across territories.

Recruitment and staff retention

If Brexit brings about a change in the rights of EU nationals to work in the UK, your workforce could be affected, as well as your ability to recruit in future.

What you can do: Familiarise yourself with the various initiatives aimed at protecting the rights of non-UK nationals to work and live in the UK post-Brexit. Talk to your employees and work with them to offer support and advice.



Rising costs

Any of the above impacts are bound to push up the cost of logistics. In addition, a 'no deal' Brexit could prompt a fall in the value of the pound, while new duties and taxes will add further costs.

What you can do: Review your pricing model.

Consider whether your current terms for delivery and returns would be sustainable and balance any changes with the likely effect on your sales.

How ILG can help your Brexit preparations

We've been looking closely at all the threats of a 'no deal' Brexit for some time now and have been putting contingencies in place to help our customers absorb the impacts.

WAREHOUSING

Our warehouse capacity has expanded considerably in the last five years and now that we are part of Yusen Logistics, our service extends to offer a flexible, agile global capability. That includes global inventory management and proactive management of upstream events to cope with unpredictable downstream demand. This allows us to support growth in stock holdings, as well as allowing you to split your stock profile between the UK and Europe.

CUSTOMS ADMINISTRATION

Because we already ship to the Rest of the World (RoW), our experience of the customs administration outside the EU enables us to assess the possible increase in customs requirements in the case of no deal. We have made sure we have the resources to handle them and can offer customers first-hand advice on preparing the necessary paperwork, including Economic Operator Registration and Identification (EORI) and Deferment Account Numbers (DAN), customs classifications, consignment information and safety & security declarations.



HUMAN RESOURCES

The Government has guaranteed that the rights of EU citizens living and working in the UK will be protected in a 'no deal' scenario. We are keeping a close eye on the recommendations of the Migration Advisory Committee, as well as initiatives for protecting the rights of UK nationals to work and live in the EU. We are constantly assessing how these factors will affect our workforce and are working with our employees to offer them support and advice. You can rely on us to maintain the necessary level of trained staff to handle your fulfilment and delivery.

TRANSPORT

We are autonomous in our choice of transport and delivery providers and have good relationships with a range of different carriers. If there are backlogs anywhere, we can switch to alternative routes and modes of transport to make sure your goods reach their destination on time. We are familiar with RoW requirements for driver permits and have prepared for the adoption of new aviation agreements, all of which will help to maintain unhindered transport of your deliveries.

LEAD TIMES

We are talking to our suppliers to get a clear picture of the likely outcome of a 'no deal' scenario on lead times. We can share our findings with our customers and help to plan contingencies, such as stockpiling or seeking alternative modes of transport.



New to EORI?

The Economic Operator Registration and Identification (EORI) is currently required for any business trading goods outside the EU. In the case of a 'no deal' Brexit it will become a requirement for all importers and exporters to and from the EU too. EORI numbers can be obtained from HMRC and there is a helpline for more information - 0300 200 3700

Plan for the worst, hope for the best

We are still hopeful that a Brexit deal will be agreed before the 29 March 2019 deadline but until we know that is the case, we are making sure we are prepared for the likely upheaval of a 'no deal' scenario. We strongly advise our customers to do the same and are standing by to answer your questions and help you with your planning.

Whatever the outcome, there are bound to be some adjustments required. We have been working constantly to identify possible areas of change and prepare solutions to keep our customers' warehousing and deliveries running as smoothly and efficiently as possible. As part of the global

Yusen Logistics, we have the capabilities to help our customers look far beyond the constraints of a 'no deal' Brexit.

If you would like to discuss any aspect of your logistics in the light of Brexit, we are ready to talk. Call us on [0844 264 8000](tel:08442648000) and speak to a Customer Relationship Manager or a member of our Business Development team.

More information

Concerned about Brexit?

Talk to ILG today.

[0844 264 8000](tel:08442648000)



we do deliver

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