

'Brexit Readiness': **Company Preparedness for** **the End of the** **Transition Period**

Results of a BPF Member Survey
Conducted: 2nd – 4th December 2020

Introduction

The following results are the findings of a survey conducted by members of the British Plastics Federation between 2nd – 4th December 2020.

Results of the survey combined with other market intelligence provide key insight for the BPF and enable us to inform government and other key stakeholders of Brexit preparedness in the supply chain. The government requested feedback about the plastic industry's preparedness for Brexit, from priority actions for January 2021 through to chemical regulations, conformity assessments and EU/UK trade; this information will help inform BEIS and wider government of our industry's needs and priorities as we approached the end of the transition period.

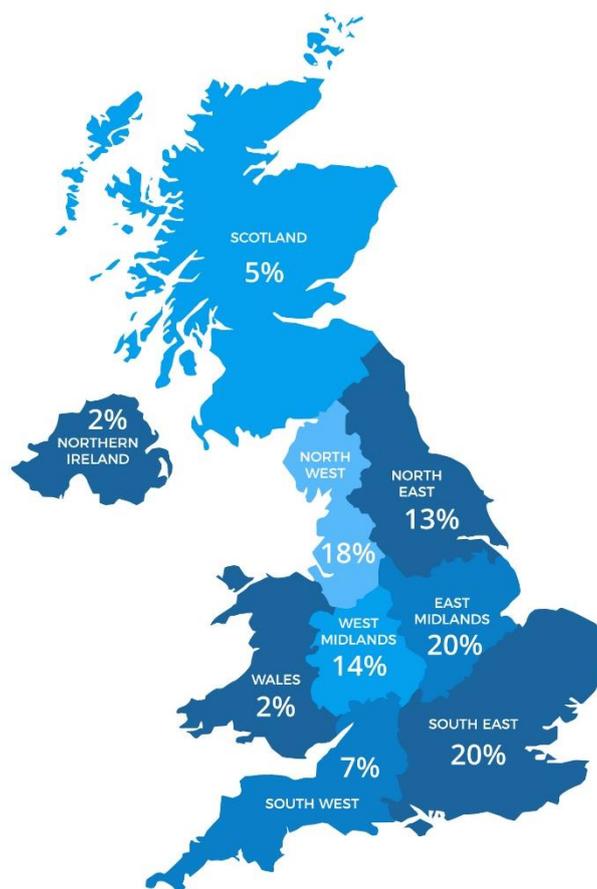
The BPF has published a Brexit Toolbox featuring advice and guidance for plastic firms preparing for the end of the transition period. This can be found at www.bpf.co.uk/brexit

Participation

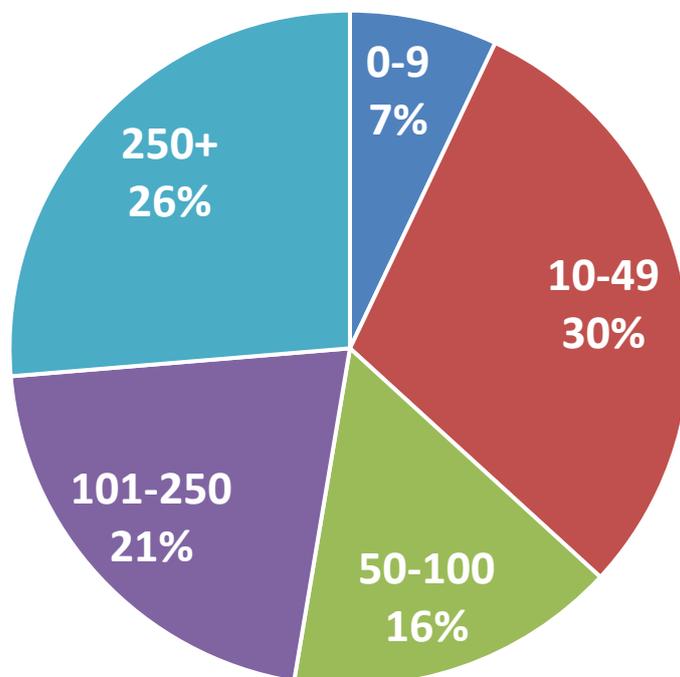
The survey, which was open exclusively to members of the British Plastics Federation, was completed by **57** firms. The respondents were drawn from the following plastics industry sectors represented within the BPF:

Plastics Processors	68%
Recyclers	7%
Raw Materials Producers and Distributors	19%
Machinery and Equipment	5%

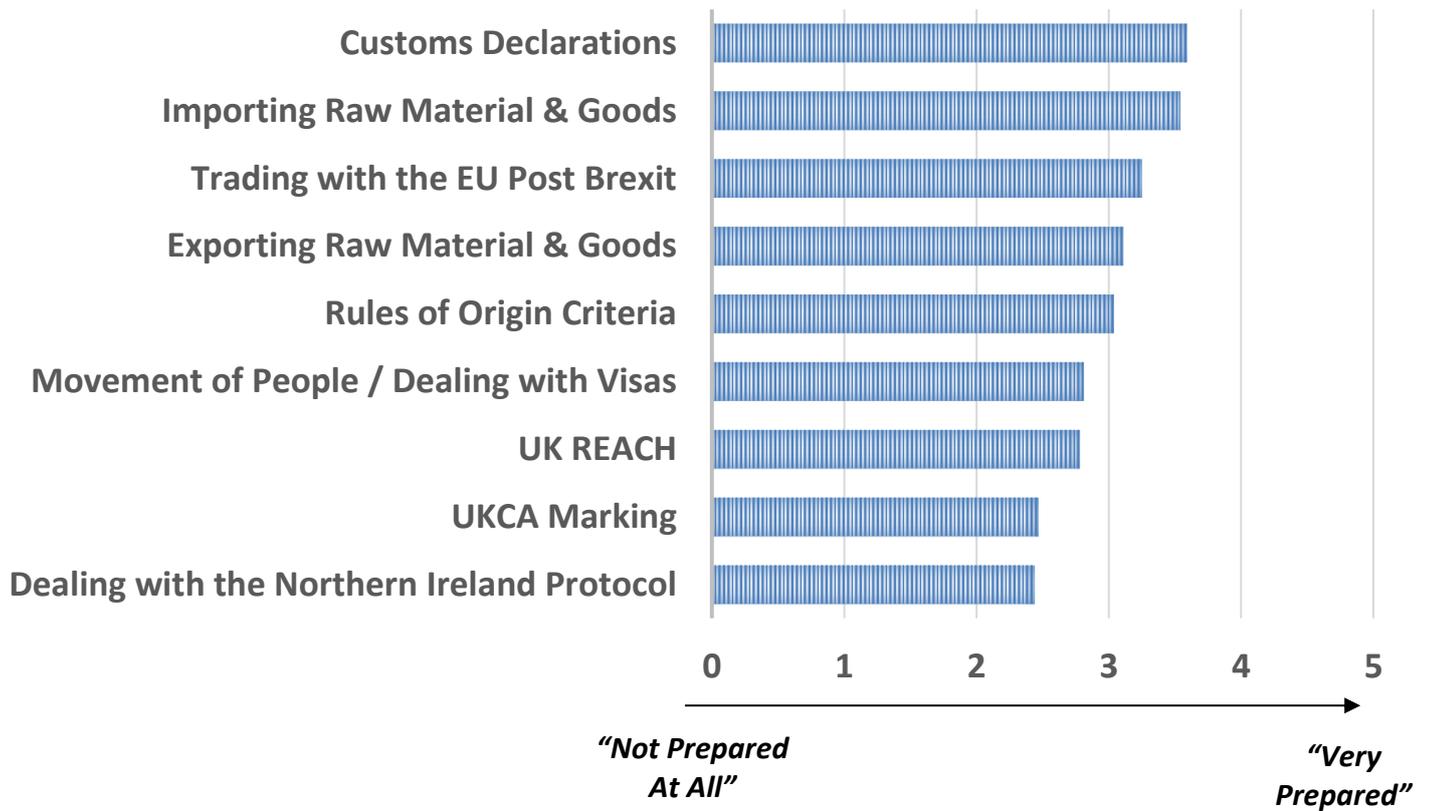
Which UK Region/Country is your company based in?



How Many Employees Do You Have?



Average Level of Preparedness on Various Topics (1 being "not prepared at all" and 5 being "very prepared")



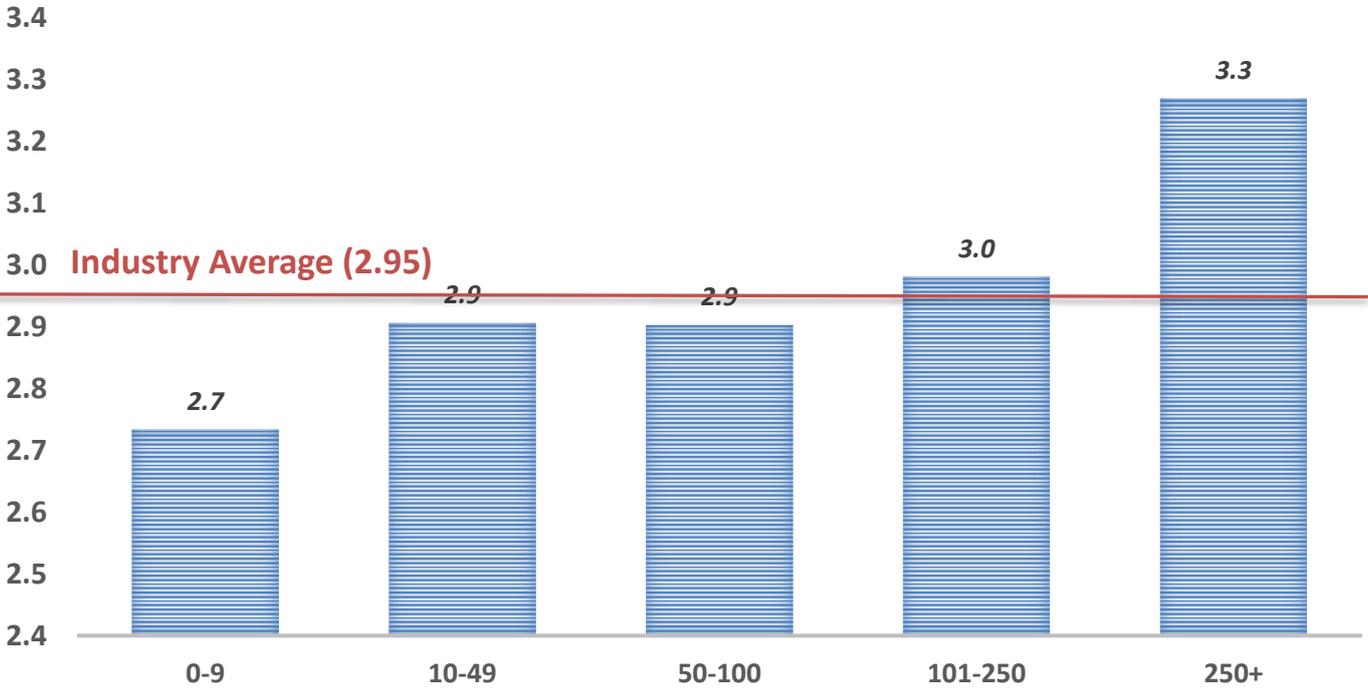
Whereas companies seemed to be quite prepared for customs declarations and the import/export of goods, UK REACH, UKCA Marking and dealing with the NI Protocol were shown to be the biggest concerns. One member stated: *"How will we track goods into N Ireland, still an absolute mess"*.

Average Level of Preparedness: By BPF Membership Group (1 being "not prepared at all" and 5 being "very prepared")

Sector	Importing raw material and goods	Exporting raw material and goods	Dealing with the Northern Ireland Protocol	Rules of Origin Criteria	UK REACH
Raw Materials	4.33	3.33	2.33	3.67	3.67
Recyclers	2.00	2.75	2.25	3.00	2.50
Moulders	3.50	2.90	2.50	2.90	3.30
Packaging	3.86	3.25	2.50	3.10	2.71
Distributors	3.75	3.43	2.63	3.43	2.50
Construction	3.13	3.14	2.13	2.71	2.43

Sector	Customs Declarations	UKCA Marking	Trading with the EU Post Brexit	Movement of People / Dealing with Visas	Overall Average
Raw Materials	4.00	2.50	3.67	1.67	3.24
Recyclers	3.50	2.75	2.50	2.00	2.58
Moulders	3.60	2.40	3.60	3.10	3.09
Packaging	3.79	2.52	3.35	3.14	3.14
Distributors	3.43	2.43	3.57	2.43	3.07
Construction	3.38	2.50	2.75	2.86	2.78

Average Level of Preparedness: By Company Size (1 being "not prepared at all" and 5 being "very prepared")



Number of Employees (By Band)

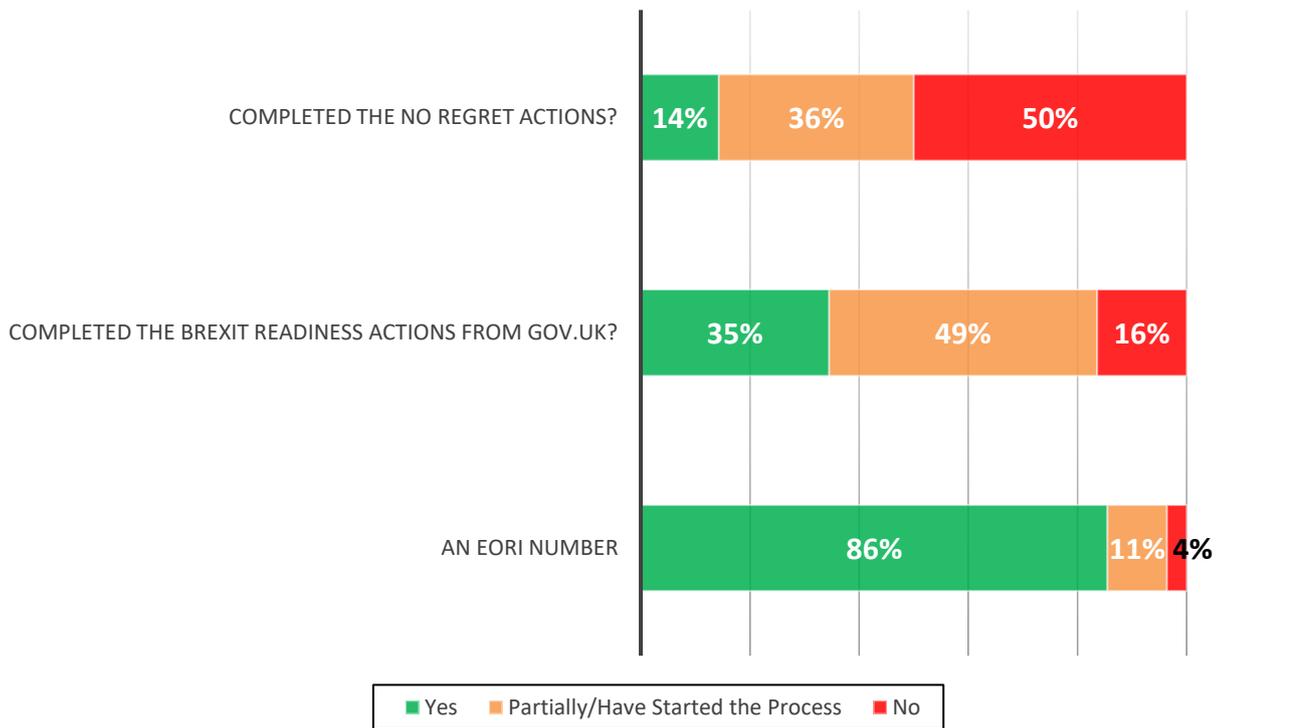
The above chart shows the average preparedness by company size, it highlights a clear trend that the larger the company, the more prepared they are overall for various Brexit implications. It is interesting to note that 98.3% of plastic firms in the UK have less than 249 employees.

Average Level of Preparedness: By Company Size (1 being "not prepared at all" and 5 being "very prepared")

Company Size	Importing raw material and goods	Exporting raw material and goods	Dealing with the Northern Ireland Protocol	Rules of Origin Criteria	UK REACH
Micro	3.75	3.25	1.75	3.50	2.25
Small	3.38	2.73	2.63	3.19	2.81
Medium	3.57	3.24	2.45	2.71	2.81
Large	3.60	3.31	2.57	3.21	2.86
Industry Av.	3.54	3.11	2.44	3.04	2.78

Company Size	Customs Declarations	UKCA Marking	Trading with the EU Post Brexit	Movement of People / Dealing with Visas	<i>Overall Average</i>
Micro	3.25	2.00	3.25	1.00	2.67
Small	3.38	2.31	3.13	2.40	2.88
Medium	3.42	1.95	3.50	2.95	2.96
Large	4.13	3.47	3.07	3.43	3.29
Industry Av.	3.59	2.47	3.25	2.81	2.95

Has your company got/completed the following...



What do you think the UK government could do more of or differently to help your company prepare for the end of the transition period?

We asked members an open-ended question about what they thought the government could do more of or differently to help companies prepare. All comments have been passed on to the relevant departments.

By far the most common response was to agree a trade deal and to do it earlier.

The second most common response was a call to have the deadline delayed as a direct result of COVID-19, with one company stating (in block capitals): *"DELAY THE DEADLINE! Wait till Covid has gone"* and another stating: *"They should have recognised the devastating impact of Covid on business and extended till Covid was under control"*.

A number of companies used the opportunity to vent clear frustrations with the process to date. A typical response was: *"It's incredible that with less than 1 month to go and 4.5 years after the vote to leave there's still so much we don't know, like whether import duties will apply for example"* another simply stated *"tell us what's going on!!! With lots of notice"*.

In a similar vein, another company stated *"The deal should have been concluded by giving companies time to implement the necessary changes. There is not enough time to fully implement processes and procedures to fully deal with whatever changes will be necessary. Just get on with it!"*

Some expressed frustration about the clarity of the advice and ease of access, a typical response being *"issue clear and more detailed advice, make it more readily accessible and stop deferring companies to other regional or low tier governmental agencies who invariably seem to be as much in the dark as we are!"*. Another commented: *"The UK government published guidance is very vague and there has been little tailored support for businesses"*.

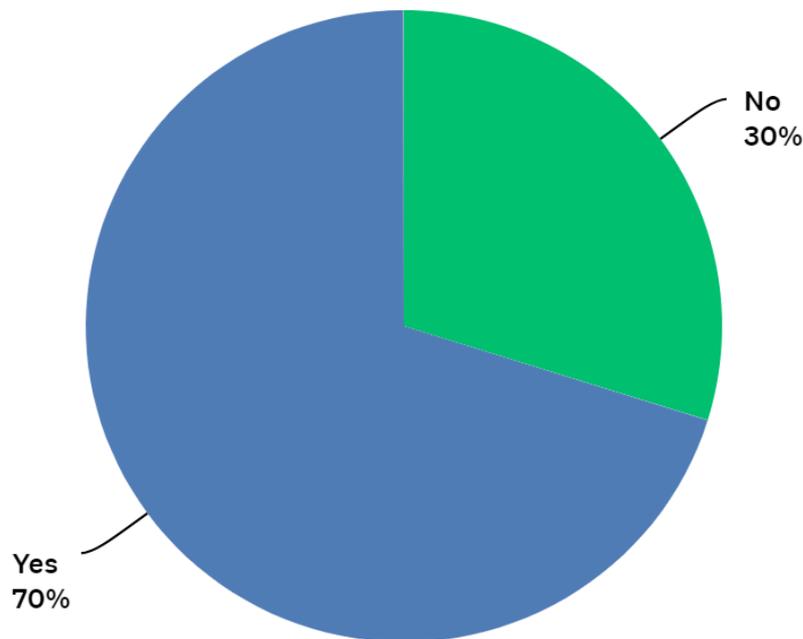
The NI Protocol came up again with one company simply stating: *"Get clarity on the NI situation ASAP"*.

The issue of the 6% tariff on raw materials (estimated to cost the industry over £250m) was again mentioned with one simply stating: *"It could take away the nonsense of putting 6% import duty on our raw materials from the EU"*.

One company expressed concerns about the preparedness of haulage companies stating: *"In our opinion hauliers are not fully prepared and have knowledge limitations when it comes to the procedures and costs involved. And we rely on these third parties."*

A number of companies also mentioned the need for more clarity on VAT and duty deferments.

Does your company have plans to stockpile any product or material prior to the end of the transition period on 31 December 2020?

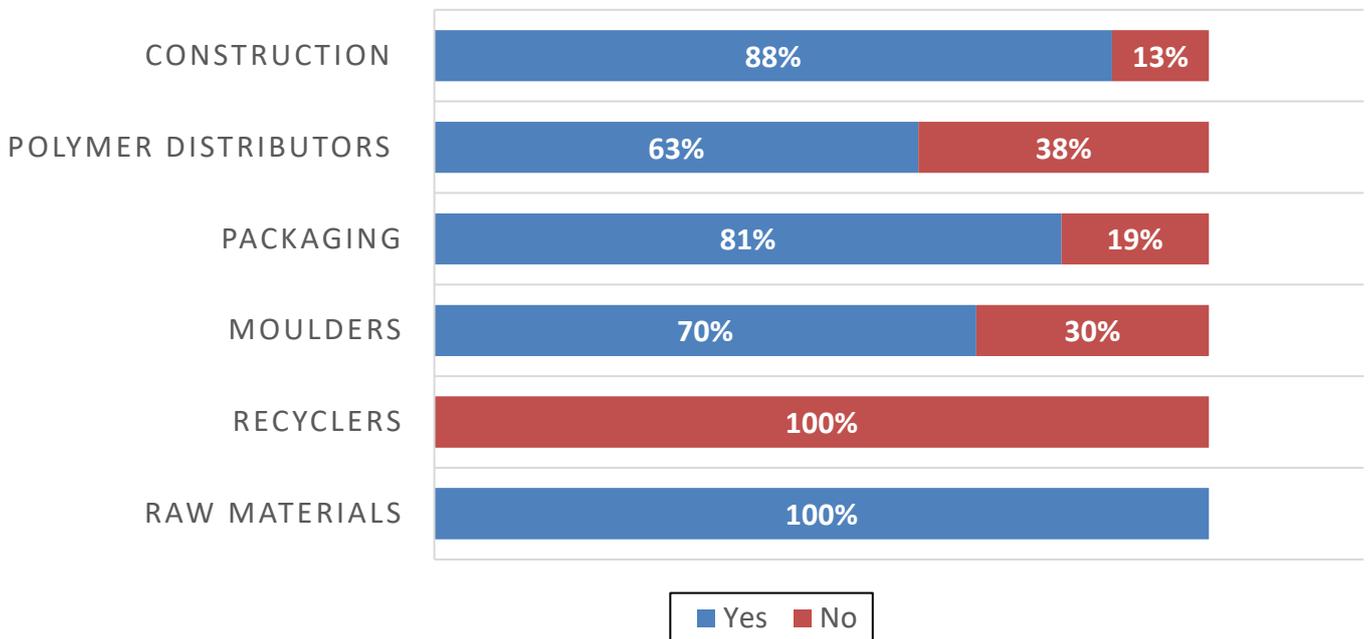


It is worth noting that the BPF asked the same question of members in the [July/August 2020 Business Conditions Survey](#) and then 51% of members said 'Yes' and 49% said 'No'.

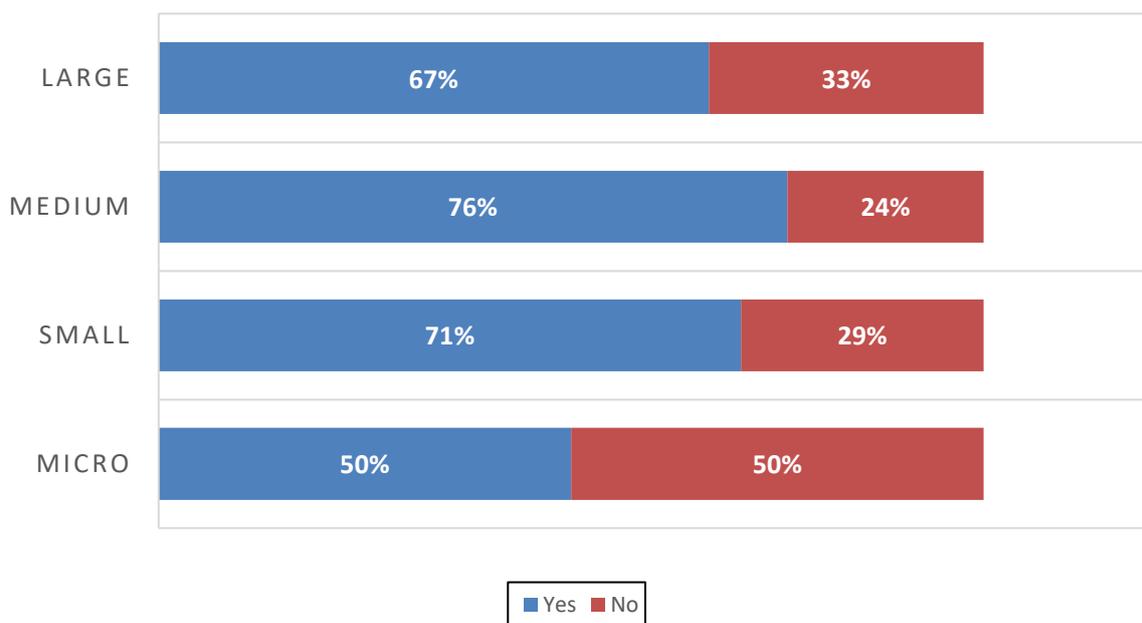
A number of companies that said they were either not stockpiling to the levels they would like or not stockpiling at all blamed issues with shortages of material across Europe. One company stated: *"We had plans to build up stocks yes, but due to extreme shortages of almost all polymers in Europe this has not been possible at all. Line stoppages are therefore highly likely in Q1"*.

Last time we asked this question, a number of companies stated they would not stockpile this time as they had done so twice already to no avail. Whilst it appears that many companies have changed their mind and are now planning on stockpiling, one company (who also mentioned the impact of COVID on their ability to do so) stated: *"Absolutely impossible with the Covid impact this year, even if we were able after millions of our own money wasted on 2 false starts not sure if would have anyway?"*.

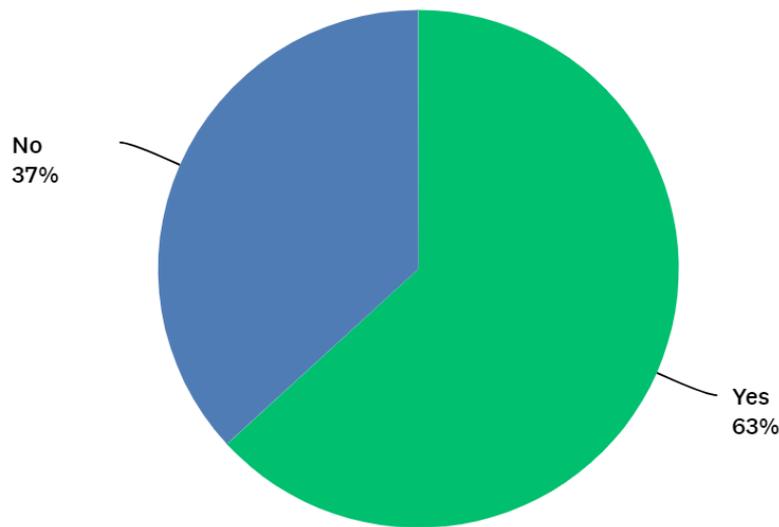
Does your company have plans to stockpile any product or material prior to the end of the transition period on 31 December 2020? (By Sector)



Does your company have plans to stockpile any product or material prior to the end of the transition period on 31 December 2020? (By Size)



Do you think COVID-19 has negatively impacted your company's ability to prepare effectively for the end of the transition period?

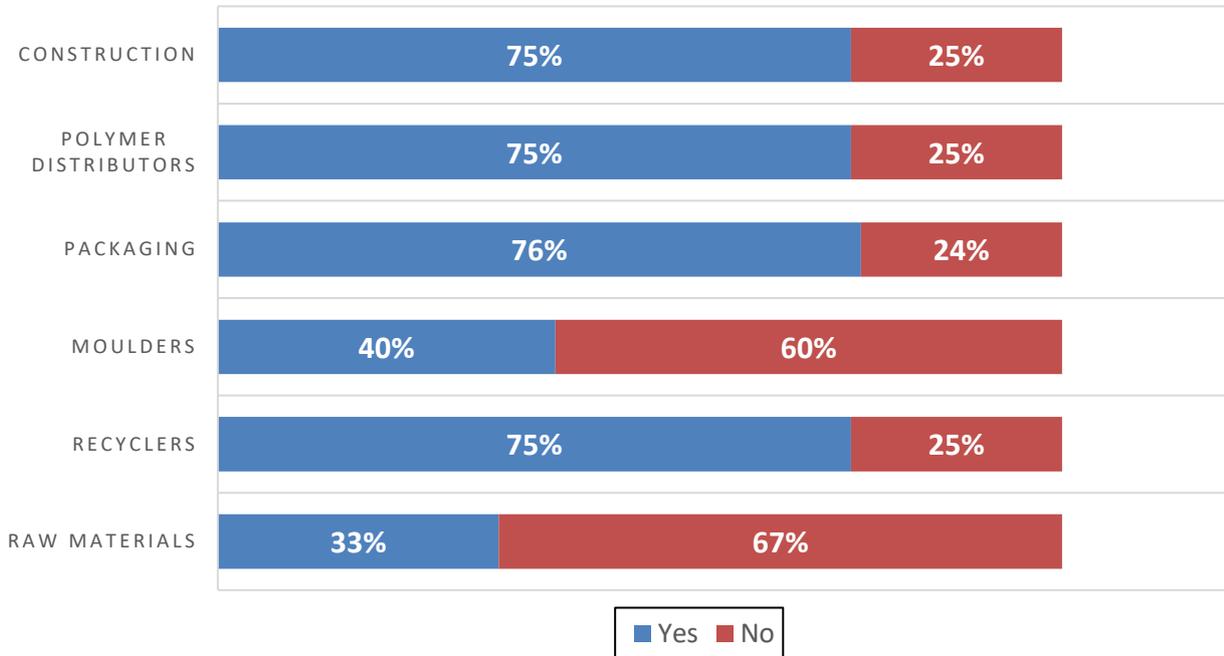


COVID-19 has clearly had a major impact on companies' ability to prepare for the end of the transition period. One company stated that it had impacted them: "Yes 100%". Yet another put it a lot higher, stating: "1000000000% Yes".

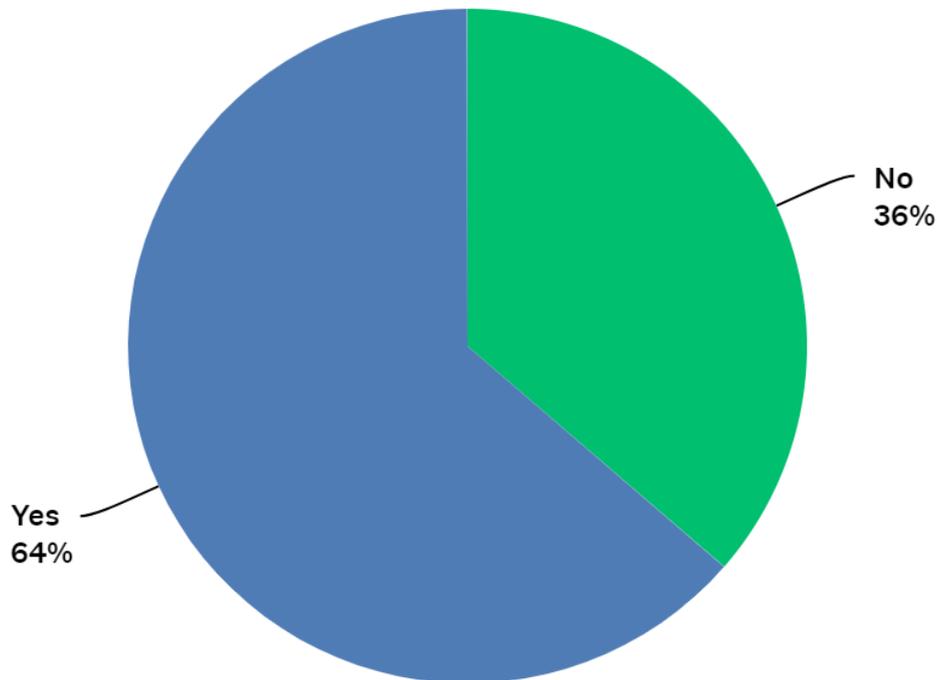
One company stated: "How did we get to this stage, maybe everyone has been fighting what was in front of them (Covid) and pushed Brexit preparedness to one side." And another stated: "Working from home makes it quite difficult to really coordinate effectively on this type of project".

Another response that sums up many comments the BPF has heard over the past few months is: "The sheer amount of information from Government on both Covid and Brexit is impossible to get through and act on for any small business. Staff shortages and working from home as a result of Covid have all had a major impact".

Do you think COVID-19 has negatively impacted your company's ability to prepare effectively for the end of the transition period? (By Sector)



In your opinion do you think the UK government will succeed in getting a trade deal with the EU before the end of the transitional period on 31 December?



It is interesting to see that whereas nearly two thirds of companies currently think a deal will be reached, when we last asked members (on the 23rd September 2020 in a poll during a BPF Brexit Seminar) only 38% of members thought a deal would be made.

In the comments companies were keen to point out how much they *'hoped'* a trade deal would happen and how it would *'hurt both sides'* if one was not reached. One company, showing their frustration, stated "But it is leaving it far, far too late and therefore significantly compromising our ability to trade effectively in at least the first few months".



British Plastics Federation

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