

**A WORKSHOP FOR
BUSINESSES IN
HEALTH AND
LIFE SCIENCES**

THURSDAY
MARCH 25 2021
14:00 – 15:15

**BUILDING ON
THE UK-EU
TRADE
AGREEMENT**

REGISTER FOR
YOUR FREE TICKET
HERE

FOR
BUSINESSES
BASED IN
WEST YORKSHIRE
OR YORK
AND NORTH
YORKSHIRE



25th March, 2021

Karl Dalglish, Director Kada Research



PART 1: **Introductions**

Introduction:

5 minutes

Speaker 1:

Jennie Holdstock/
Amanda Potter,
West Yorkshire
Combined Authority

Overview of our work and workshop contents

15 minutes

Speaker 2:

Karl Dalgleish, Director,
Kada Research

Research highlights

PART 2: **EU Exit and Global Trade**

Speaker 3:

Mike Stokes

EU Exit: What just happened! What must businesses consider?

What support is there?

15 minutes

Speaker 4:

Mark Beresford

Health and Life Sciences global context

EU-UK T&CA: Implications and impacts

Implications, Opportunities and Considerations

The emerging shape of FTAs

15 minutes

PART 3: **Discussion**

Discussion:

Questions for panel

**Share your
experience of
the new trading
conditions or new
opportunities you
are thinking about**

**Tell us what help
businesses need**

20 minutes

All plus

Anne-Marie Downes,
Kada Research

Thomas Averde,
Medilink

Alex de Ruyter, Centre
for Brexit Studies, BCU

Overview of our work

Commissioned in November to assess the outcomes from the UK's departure from the EU and maximise international opportunities.

EU exporter survey

Trade and inward
investment statistics
for WY and Y&NY

Follow-on
interviews,
case studies
and EU exit
video diaries

Purpose: share and discuss emerging priorities of relevance to those involved in trading with the EU and beyond and inform the business support.

EU Exit Business Preparedness Survey Headlines*

Most Relevant Issues and Concerns



Top 3 EU Exit relevant issues

Maintaining customers and suppliers (83%), taxes, tariffs and VAT (80%), new customs duties/regulations (76%).



Top 5 business concerns

Lack of clarity (77%), costs (62%), dependency on supplies (56%), complexity (53%), supplying EU on time (51%).



Top 3 preparation challenges


Uncertainty (77%), lack of applicable information (52%), lack of information or expertise (44%).




Top 3 barriers to working with EU businesses

Increased costs of trade, changes to rules and regulations and loss of frictionless trade (75%, 62%, 62%).

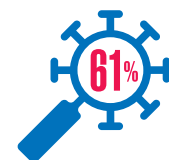
Preparations and Markets



49% 'totally' or 'mostly' prepared, 35% somewhat, 13% 'not prepared' or 'totally unprepared' (3% n/a).



19% addressed all EU Exit issues, 35% majority, 15% major issues, 15% some issues, 16% no measures at all.




61% EU preparations not affected by Covid-19



26% exploring international markets including North America, Asia and Africa (10%, 7% and 6%).


Information and Support




44% could not find information needed, 37% found 'some' or 'all'



43% of LCR and 39% of Y&NY businesses would like more info



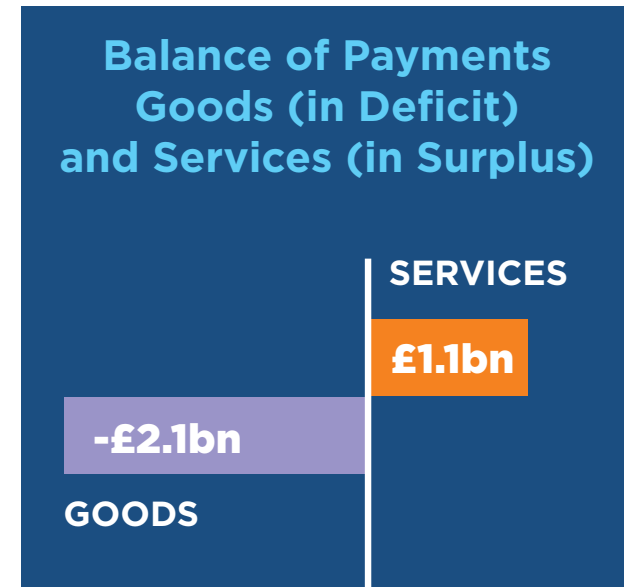
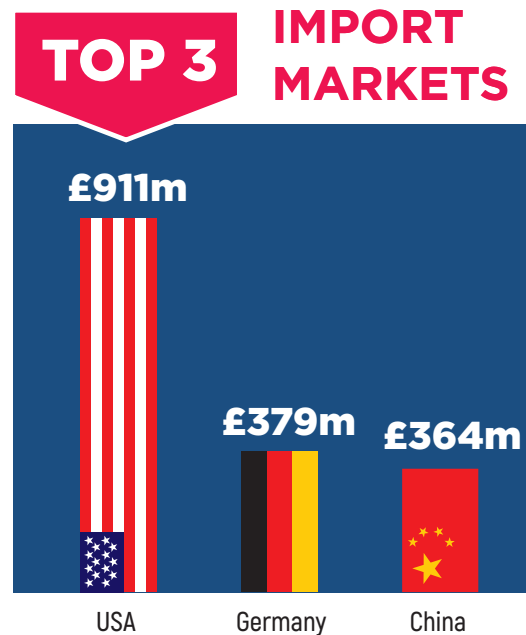
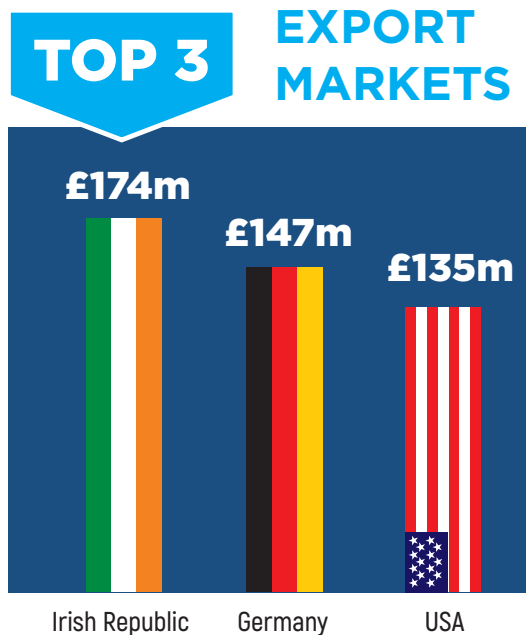
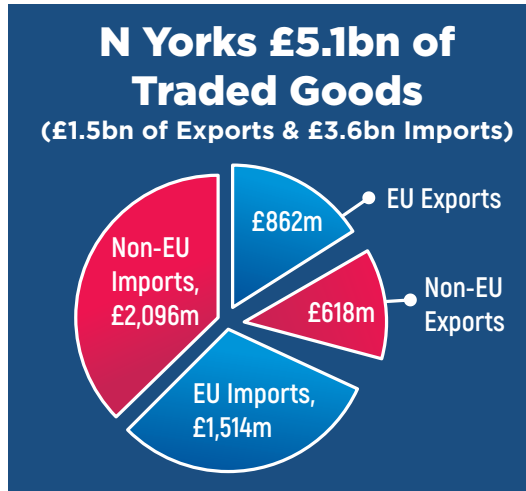
66% requested on-line tools



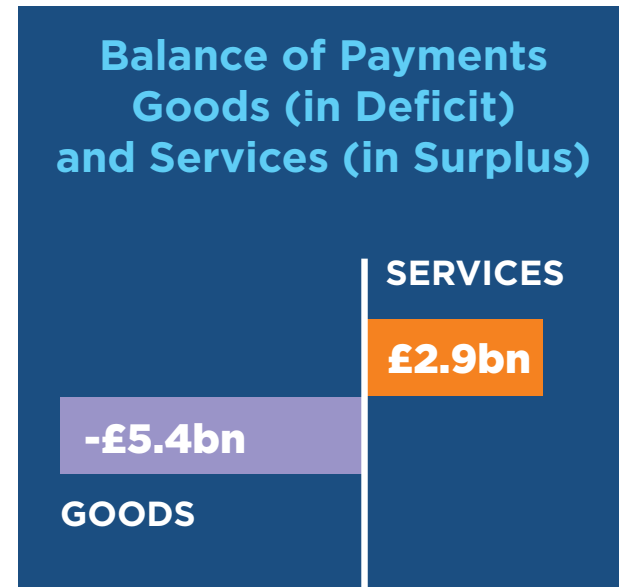
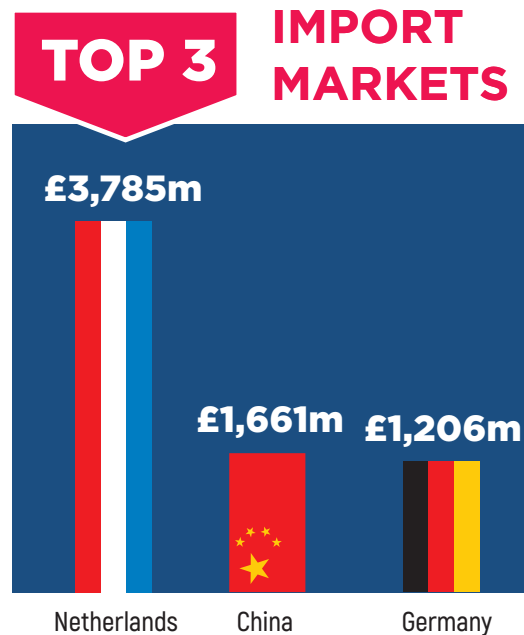
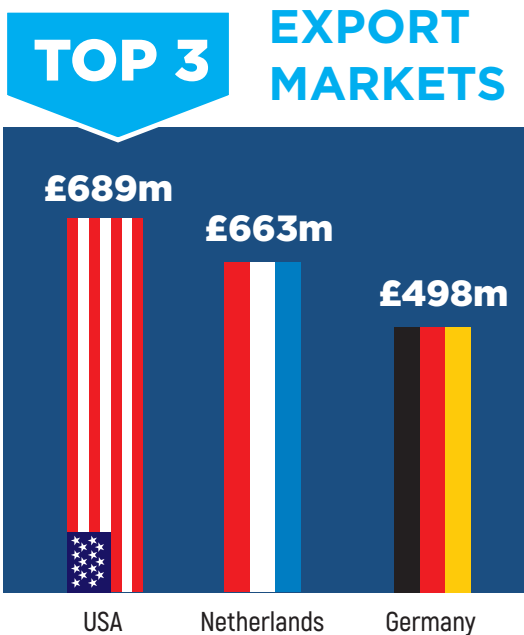
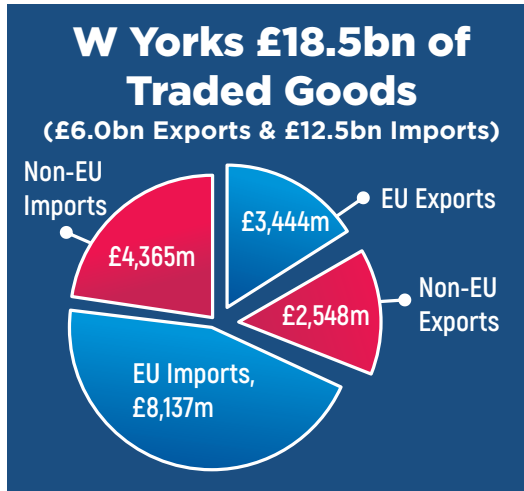
Hot topics: customs, travel, trade (43%, 37%, 36%)

*Conducted by Kada Research Ltd in December 2020 with 151 businesses trading with the EU or thinking about it. 97 responses from the Leeds City Region (LCR) and 54 from York and North Yorkshire (Y&NY).

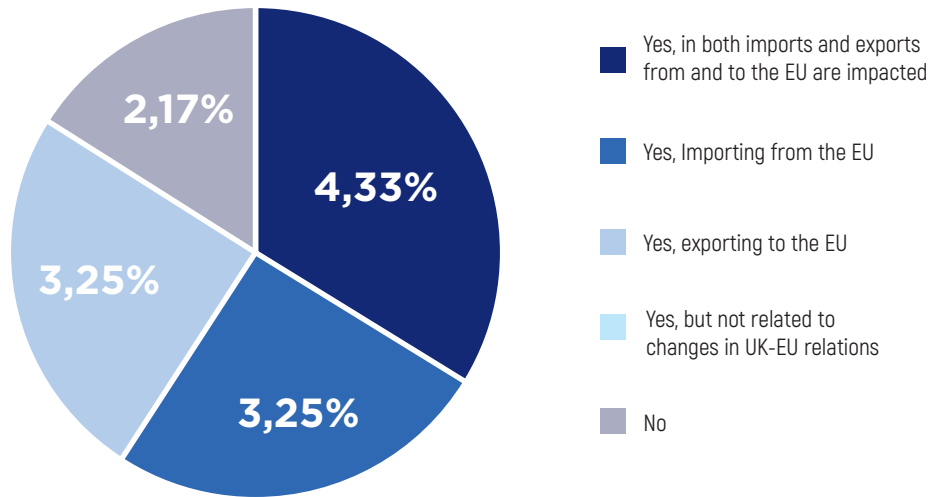
North Yorkshire International Trade Headlines including EU Exposure



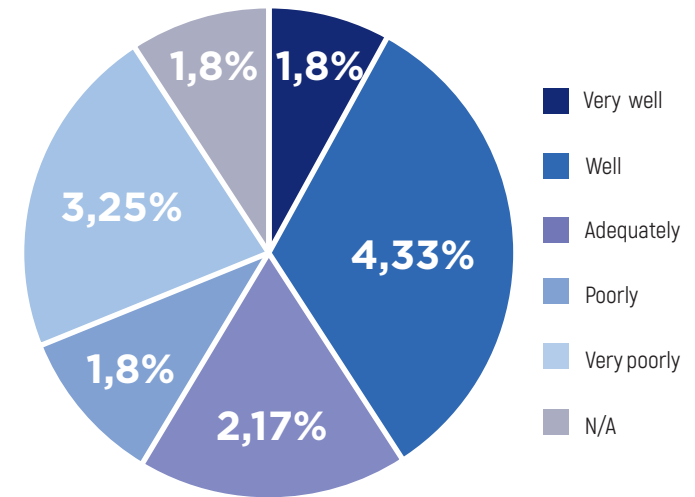
Leeds City Region International Trade Headline including EU Exposure



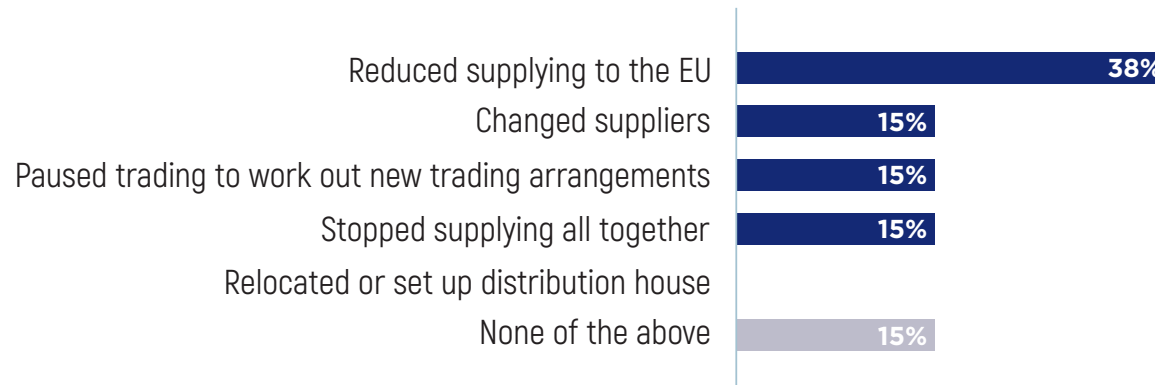
Have you experienced any supply chain disruptions since January?



How well are you managing the new relationship?



Actions taken since the UK's Exit from the EU



EU Exit barrier relevance size and industry

Increased costs of exporting or importing goods/services were most relevant for:

- Larger (+£5m turnover) and smaller (<£50k, between £50-£100k) businesses;
- **Health and Life Science, Agri-Tech, Advanced Manufacturing** sectors.

Loss of frictionless trade was most relevant for:

- Larger (+£5m) and smaller (<£50k, between £50-£100k) businesses;
- **Health and Life Sciences, Agri-Tech and Food and Drink.**

New customs duties or regulations that may affect supply chains was:

- Increasingly relevant for larger businesses;
- Most relevant for **Health and Life Sciences** and **Advanced Manufacturing**

Understanding changes to UK manufactured product marking rules:

- Relatively similar across all business sizes;
- **Health and Life Sciences, Advanced Manufacturing and Food and Drink.**

What are health and life sciences businesses telling us about the effects?

Businesses with high volumes of trade across the EU are finding it challenging to meet separate nation's requirements.

"Trading across Europe has required different processes. It doesn't feel like we are trading with one entity"

"It is very time consuming to meet the requirements of every individual EU country"

Problems with courier capacity and customs is causing delays that create risks for products and limit business confidence.

"We send parcels to the EU and they arrive late. A two-day delivery is taking four weeks, which can damage relationships with customers"

"With the nature of our products and their shelf-lives, I can't have deliveries arriving late."

Many anticipate initial issues in deliveries and customs checks will settle down.

EU Customs clearance and documentation is a challenge. "Customs declarations are a pain but generally we have started exporting well since the EU exit."

Increased freight and shipment costs.

Those with a strong client base continuing to see orders. "If you make the right product at the right price, people will continue to buy it."

"We seem to be shouldering more duties costs than our EU counterparts"

What are health and life science businesses telling us about the support on offer?

Understanding upcoming industry specific changes were a priority, including new EU regulations in medical devices.

“I think we have until the end of May to ensure we are ready for new regulations”

“We have been looking for sector specific support from the British Chemicals Association”

“I am happy to look for support from any source as long as it is high quality and relevant to my business”

“We get 1-2-1 expert advice from an exporting agency”

“We have a contact at HMRC that was able to explain and advise on changes to rules of origin”

“With trade between every EU country being different and businesses in many sectors being affected, things will have to change going forward. It would be very useful to get some clarity on this from the UK Government.”

Preparations (Business insights)

- “We are trying to figure out the most cost-effective way to send EU clients our free samples. We don’t want to stop doing this because of customs charges and VAT changes, as we may lose out on business”
- “Before the deal we had very little guidance from the Government. But we are slowly figuring it out over time!”
- “We felt totally prepared and nothing has changed.”
- “We did stockpile before the UK’s Exit from the EU.”
- “The company had a dedicated team of staff that focuses on preparing for and addressing upcoming export issues”
- “We were prepared and found everything that was relevant before EU Exit.”
- “There are so many Government departments putting their views forward, it can be overwhelming. We would like an advisory service that looks specifically at our business and provides bespoke advice.”
- “Lack of capacity is a key issue for us as we are a microbusiness.”
- “We have a strong customer-base overseas, and whatever happened with the EU exit we were going to make it work.”

Diversity*

- ♀ **Female led businesses**
- **Less prepared**
 - **Less likely to find business support needed to prepare**
 - **B A M E led businesses less prepared for EU Exit as a result of covid**

Female and BAME led businesses slightly more likely to be exploring new markets outside EU

***Data for WY only**

Discussion

**Share your experience of
the new trading conditions
or new opportunities you
are thinking about**

**Tell us what help businesses
need and how it should be
delivered**