

# The more things change...

UK exporters that embrace the changes forced by Brexit will find opportunities beyond the EU.

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**T**HERE is a great deal being said at the moment about how the way we trade with the rest of the world is due to change significantly in the years to come. Brexit will no doubt change several aspects of trade for UK exporters – including the introduction of a lot of paperwork for companies to complete to continue to sell into Europe, as well as potential new tariffs should a ‘no deal’ occur. Yet, for those of us who have been exporting beyond the EU for decades, customs checks and piles of documentation will already be familiar. We already know about customs declarations, rules of origin and looking through tariff schedules and we should be assuring businesses who are new to all this that it’s all perfectly doable, you just need to apply yourself to it.

Exporting to the EU is about to change for many businesses, but the processes of global trade will remain the same. At the Institute of Export & International Trade, we have a saying that ‘exporting is easy when you know how’. Never has such a phrase had more importance. For those 150,000 companies selling only into Europe presently, Brexit could of course have a significant impact on their costs and administrative processes. Indeed, with global tariff rates likely to become more mutable due to rising protectionism and the increase of trade disputes between major nations, the costs of international trade could be in for a period of disruption.

## PROCESS IS EVERYTHING

The processes of international trade – or at least the mindset required to get to grips with them – will remain the same. You will always need to ensure you’re on top of the documentation required to move goods over borders and you will need to know the tariff code for your product and the duty and taxes tracked by that code in the market you’re selling to. When looking to use a preferential trade agreement to pay lower duty, you will need to understand rules of origin in order to prove that the reduced tariff rate applies to the goods you are moving.

Whatever the changes ahead, these sorts of processes will remain the same. As with anything, you will need to approach trade with a mindset of wanting to do it properly. If you don’t look into the legal and fiscal requirements for your goods to be moved into a new country, then you risk delays at the border, potential fines and reputational damage.

International trade should be viewed as an investment. Whatever the climate, you will always need to understand the market you’re selling to, do due diligence on the people you partner with, and have a plan for how you can grow and sustain your business in that market. If you’re not sure how to do all this, or if you are daunted by documentary and legal requirements which you know little about at this stage, ask for help and take the time to learn. There is so much support out there – from Government to the Chambers of Commerce, to the training, qualifications and technical help that we provide at the Institute.

Exporting is an investment and there is plenty of uncertainty about some of the specifics in the trading landscape in the coming years. Yet, it remains a worthwhile investment, as international trade allows you to spread risk, reach new customers and increase your profits.

## GREATER STABILITY

Brexit does create uncertainty, but it creates uncertainty in the UK market as much as it does in Europe or elsewhere. One of the best ways of mitigating this risk is therefore to look to markets around the world where there is growth and relative stability.

Research from HSBC estimated that 70 percent of future world growth will come from emerging economies while a report from the ONS showed that most of the UK’s fastest growing exporter partners for 2018 were also from emerging markets. The way in which we trade with several of these markets will remain the same, whatever happens with Brexit, and the costs involved will probably be easier to predict than for the EU in the immediate future. The duty payable for importation to several emerging markets will remain at the ‘Most Favoured Nation’ rate lodged by the UK in that market under WTO rules.

If uncertainty and unpredictability are stopping you from expanding overseas, we’d suggest looking at markets where the trading conditions are likely to remain more stable. As long as you get to grips with how international trade operates and do the work and research required for each market, global trade will remain a source of opportunity rather than a threat.

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