

FoodDrinkEurope recommendations on the Brexit negotiations

The White Paper is a step towards the food and drink industry's priorities...

FoodDrinkEurope welcomes the recent publication of the UK White Paper on the future relationship between the UK and the EU and its further discussion at EU level.

The White Paper offers Europe's food and drink industry greater clarity on the UK approach to the future relationship between the EU27 and the UK. We particularly welcome aspects of the White paper that represent a step towards our sector's main priorities, i.e. ensuring that frictionless trade will continue, current production processes will be maintained, burdensome administrative delays can be reduced and a hard border on the island of Ireland will be avoided.

FoodDrinkEurope is hopeful that the White Paper will contribute towards delivering a fruitful and positive relationship between the EU27 and the UK.

...it recognises the crucial role of the agri-food sector with its own characteristics

In the White Paper, the UK government acknowledges the importance of the agri-food sector, confirming its commitment to frictionless trade, recognising the benefits of continued regulatory alignment in the agri-food sector, a facilitated customs agreement for the island of Ireland, and a sensible common rule-book approach for the future EU-UK relationship. FoodDrinkEurope is pleased to see that the UK Government recognises the particular importance of our industry, and hopes that this will be translated into the final EU27-UK deal, protecting trade flows and avoiding damage to jobs and growth.

In 2016, EU27 food and drink exports to the UK amounted to €31 billion while the UK exported €13 billion to EU27 – all while employing 4.24 million people across the EU. EU27-UK trade is essential to the functioning of complex supply chains. Just-in-time manufacturing on both sides depends on free movements of ingredients and raw materials. Disrupting these established trading arrangements would have a much more significant impact on consumers in terms of access to the food they enjoy than can be demonstrated by statistics alone.

... but only a customs union will avoid disturbance within integrated supply chains

FoodDrinkEurope reiterates that a customs union would be the best way to ensure certainty for business over the long-term, providing mutual market access for agri-food products free of customs duties, additional agricultural components or any other equivalent border taxes. We fear that a Free Trade Agreement would include onerous rules of origin requirements, risk serious market disturbance in the UK and EU27 markets and would undermine the aim of avoiding a hard border on island of Ireland. With an EU-UK customs union and common tariffs vis-a-vis third countries, these issues can be prevented and harmful impacts for consumers across the EU27 and UK can be avoided.

... together with continued regulatory alignment between the EU27 and the UK

Ensuring continued regulatory alignment between the UK and the EU27 is essential to avoid the emergence of new regulatory and administrative burdens as well as time-consuming checks and inspections at border posts.

... and EU-UK cooperation within EFSA.

FoodDrinkEurope is concerned that the White Paper makes no explicit reference to UK participation in the European Food Safety Authority (EFSA), which has strengthened the food and drink industry and maintained high standards of food safety for the benefit of European consumers. Continued EU27-UK cooperation would deliver the best outcomes in terms of risk assessment and the practical work of food and veterinary risk managers, as they ensure effective and timely prevention measures to ensure the safety of consumers in the EU27 and the UK alike.

A transition period is crucial for operators...

Any future relationship post-Brexit will require considerable forward planning and is likely to take some time for operators to fully integrate. The size and the success of the agri-food sector, Europe's leading economic sector, is attributable largely to its integrated supply chains, involving operations throughout all EU28 Member States. Therefore, a transition period, foreseen to last until 31 December 2020, is vital for operators.

... while an extension of the transition period might be necessary and

The objective must be a fruitful and positive relationship between the EU and the UK post-Brexit; this may take longer than expected and, therefore, the industry recommends that the envisaged negotiation or transition period be extended, if necessary.

... a no-deal scenario would hit EU27 and UK jobs and growth

We do however realise that there will be no transition period should no satisfactory deal be reached at the end of negotiations, and are very concerned about this possibility. We therefore encourage further engagement on the substance of the Withdrawal agreement and the Political Declaration, working closely with business, to support rapid progress. This is essential for the future of our industry, and will be to the benefit of consumers across Europe. A "no-deal" scenario must be avoided – this would severely disrupt supply chains, lead to a consequential breakdown in international trade and endanger the livelihoods of the millions who work in the food and drinks industry across Europe.

FoodDrinkEurope recommends a pragmatic and sensible approach to this unique situation, to the benefit of the businesses and consumers of Europe. The food and drink industry remains available to assist, where and when required.