

EU Exit Bulletin

22 October 2020



Update on the progress of EU trade negotiations

Responding to a statement made yesterday by EU Chief Negotiator Michael Barnier, in which he acknowledged that movement would be needed from both sides in the talks if agreement was to be reached, the [Prime Minister has issued a statement](#) confirming that the UK will welcome the EU team to London to resume negotiations later this week.

Government warned of the impact on fleets of having no free trade agreement

The BVRLA has [written to senior Government officials](#) warning of the estimated costs that will burden the fleet industry if the UK and EU fail to reach a free trade agreement.

With 72% of fleet cars and 68% of vans estimated to be sourced from the EU, the impact of not having a free trade deal would be disastrous for the fleet industry. Tariffs would add £2.1 billion a year to the UK fleet sector's car renewal costs and £310 million a year to the sector's van renewal costs, according to industry figures.

In a letter sent to senior ministers and policymakers, the BVRLA has asked the Government to:

- Continue to work with the EU to reach a deal
- Protect order banks by confirming that, in the event of no EU-UK free trade agreement, there will be a waiver on the tariffs on cars, vans, HGVs and parts ordered before the end of the year which arrive after 1 January 2021.
- Implement a tariff review process now for certain key sectors to request tariff level reviews post 1 January 2021 once their full impact is apparent.
- Create a process now for firms to apply for temporary tariff waivers on specific products when there is not sufficient UK supply.
- Support the BEV market by providing additional tax incentives and grants that will maintain the supply and cost competitiveness of BEVs in the UK.

EU Exit Business Advice page updated with members' Q&A

A new section has been added to the BVRLA [EU Exit Business Advice web page](#) containing questions from members relating to EU Exit, alongside responses from government officials.

Under the heading of 'Members' EU Exit questions answered' there is a list of Q&A relating to tariffs and trade agreements, customs and more. Questions were put to officials at the recent BVRLA Fleets in Charge digital event, but time pressures left the questions unanswered.

The BVRLA is grateful to the Cabinet Office, HMRC and the Department for Business Energy and Industrial Strategy for providing their answers afterwards.

Government launches plans to keep trade flowing

The Department for Transport has [announced its plans](#) to keep trade flowing by minimising the risk of disruption at the end of the transition period.

A new communication campaign targeting hauliers through radio, press and digital advertising is being launched to make sure that hauliers are aware of the upcoming changes and have the correct documentation, reducing the risk of delays at the border.

It will be mandatory for all heavy goods vehicles (HGVs) using the Short Straits channel crossings to obtain a digital Kent Access Permit (KAP) and hauliers are being encouraged to apply for a European Conference of Ministers of Transport (ECMT) permit as a precautionary measure. Following the end of the transition period, ECMT permits may be needed to support hauliers accessing the EU.

UK will mirror EU CO2 targets post EU Exit

The [Government has confirmed](#) that the UK will mirror the EU CO2 regulations for UK registrations from January 2021.

As of next year, registrations in the UK will no longer count towards manufacturer's EU CO2 targets. This means that manufacturers will have to meet ambitious CO2 targets in the UK after the end of the transition period, with mirrored fines and planned future reductions of 15% for cars and vans by 2025, and 37.5% for cars and a 31% for vans by 2030.

The BVRLA remains concerned about whether manufacturers will maintain an adequate supply of electric vehicles into the UK beyond January and is in regular discussion with Government on this matter.