



Brexit statement – March 2021

Dear Customers and Suppliers of the Group headed by Barrett Steel Limited ('the Group')

Since our last Brexit statement in November 2020, a significant amount has changed. We therefore set out our current position on Brexit and the impact for our business and customers.

Brexit combined with COVID have impacted supply chains throughout various sectors. There is also a high degree of complexity and uncertainty arising from the related negotiations, which continued right up to the deadline of 31st December 2020. Certain temporary measures were then subsequently put in place for the first half of 2021.

As a Group we planned as well as possible for this and ensured that we maintained healthy stock levels in the right locations in order to continue to serve our customers throughout the UK. In 2021 we have continued to import goods and move goods throughout the UK.

Our Group has completed a number of actions to date including obtaining both a GB EORI number and EU (XI) EORI number, registering with the Trader Support Service, obtaining a duty deferment account, and documenting our incoterms, custom codes and origin of goods classification, as well as receiving professional advice and training on VAT/customs changes.

As a company we are well versed with the demands of home and international trade. We have every confidence in the skill and expertise of our staff to be able to cope with any changes in import and export procedures. Furthermore, we have strong relationships with domestic suppliers for the majority of our steel products, which will help us successfully navigate the impact of Brexit.

The key Brexit focus areas for our Group continue to be Northern Ireland trading and the impact of quotas and tariffs.

Northern Ireland has remained part of the Single Market for goods trading in the UK and Europe, with Northern Ireland applying aspects of EU VAT rules. Trade between Northern Ireland and the Republic of Ireland and trade between Northern Ireland and the EU remains largely unchanged with the main requirement being the use of our XI EORI number and XI VAT registration for EU trade. The Irish border situation is, however, not fully resolved, resulting in supply issues for certain businesses trading or based in Northern Ireland. Trade in steel from the UK and Rest of World to Northern Ireland is impacted by various product specific quotas and tariffs, with the key determinants being the country of origin of the goods and the status of the goods being 'at risk' of entering the EU. Whilst this is a manual, complex and evolving process, which requires a good degree of organisation, we continue to successfully transport goods from the UK to Northern Ireland and we are working closely with the Trader Support Service to achieve compliance.

Both the UK and EU announced steel quotas that will be in place at least 30 June 2021. We have considered our customers and supply routes and believe that we will be able to operate within these quotas. We have confidence from our experience of trading under the umbrella of the European Commission's steel safeguarding measures for over 2 years, that if any further protectionist measures are installed, or if the quotas are extended, we have the necessary experience to deal with these.

As a final note we would like to reassure all customers, both domestically and internationally that we will continue to work hard to meet your requirements and should you have any further specific needs or concerns, please do not hesitate to get in touch with your normal point of contact within the Group.

James Barrett
Group Managing Director