

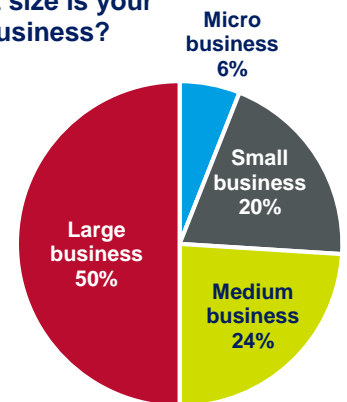
FDF Business Readiness Survey: November 2020

FDF carried out a third member survey between 19-27 November to understand the latest on business readiness ahead of the end of the transition period on 31 December. We received 50 responses, with half coming from SMEs.

Which best describes your preparations for the end of the transition period on 1 Jan 2021?

42% of businesses indicate they will not be fully prepared for the end of the transition period, while a further 10% await certainty of a deal with the EU. With less than a month remaining, many of our [questions](#) awaiting answers and crucial details to be confirmed on requirements for trade with the EU and Northern Ireland, time has now run out for many businesses to be ready. It is essential that Government negotiates periods of adjustment with the EU to ensure businesses have adequate time to prepare so that we can limit disruption at the border and impacts on choice and price for the UK's shoppers and consumers.

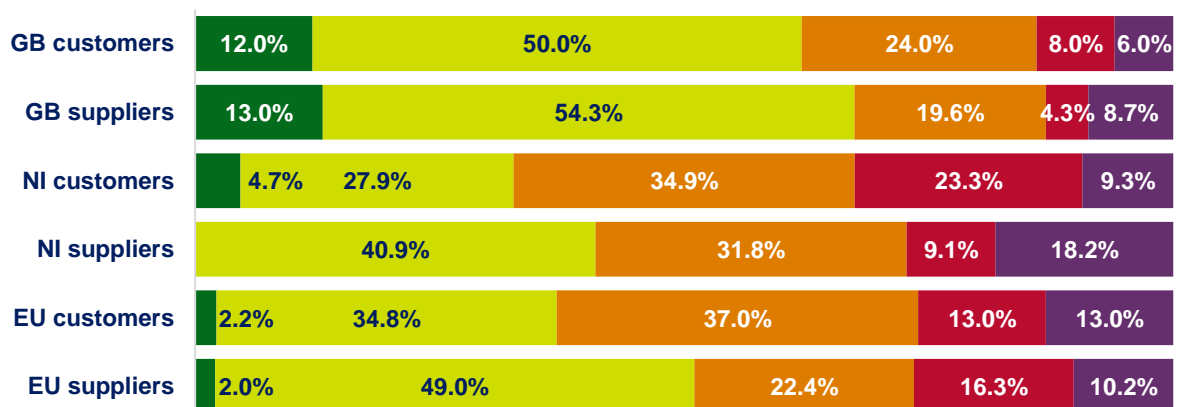
What size is your business?



We have more to do but intend to be fully prepared	40%
We have done as much as we can, but cannot be fully prepared	38%
We plan to complete our preparations when there is certainty about a deal with the EU	10%
We are fully prepared	8%
Impacts of Covid-19 mean we do not have the capacity to fully prepare in time	4%

How confident are you that your suppliers and customers in Great Britain, Northern Ireland and the EU are prepared for the end of the transition period?

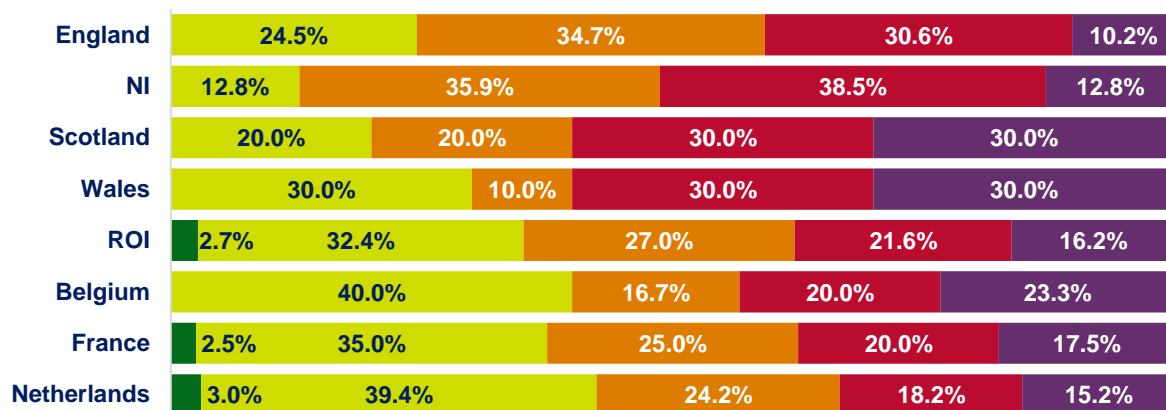
Businesses tend to be more confident about the readiness of GB customers and suppliers ahead of the end of the transition period. However, significant concerns remain, particularly around the preparations undertaken by EU and NI customers and suppliers.



■ Very confident ■ Somewhat confident ■ Somewhat unconfident ■ Very unconfident ■ Don't know

How confident are you that the ports used by your business in these countries will be fully prepared for the end of the transition period?

There are widespread concerns about the readiness of all UK and near EU ports for the end of the transition period. Businesses are most concerned about readiness at ports in England and NI, while a significant share are not clear on preparations at ports in Scotland and Wales. The current disruption that many manufacturers are facing at Felixstowe is adding greatly to concerns about the readiness of ports in England.



■ Very confident ■ Somewhat confident ■ Somewhat unconfident ■ Very unconfident ■ Don't know

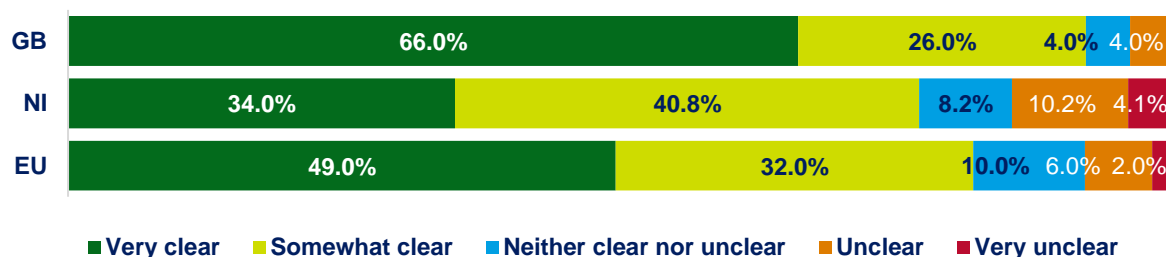
After the transition period ends, which best describes your plans to supply from Great Britain into Northern Ireland? [includes only businesses selling into NI]

Increasing from our October survey, we now find that nearly two in every five businesses are planning to pause or reduce deliveries while they adapt to meet new, and often unconfirmed requirements, or while they assess the continued viability of their business supplying into NI.

No changes – we will continue to supply from GB into NI	60.5%
We plan to pause GB-NI deliveries to ensure we can be legally compliant with NI rules	20.9%
We plan to pause deliveries from GB to NI while we assess if it remains a viable market	11.6%
We plan to reduce the volume of goods sold from GB to NI	4.7%
Don't know	2.3%

Are you clear about what your business must do to comply with labelling requirements in Great Britain, Northern Ireland and EU?

Clarity on labelling requirements is improving, however a significant share of businesses continue to struggle with a lack of clarity, particularly for trade into Northern Ireland.



■ Very clear ■ Somewhat clear ■ Neither clear nor unclear ■ Unclear ■ Very unclear

Which of these preparations have you undertaken for 1 Jan 2021?

The share of businesses that have undertaken preparations has increased in all categories. As we move into the final weeks ahead of the end of the transition period, we also see the share of businesses that have stockpiled ingredients and raw materials, finished products and packaging has increased significantly since our previous survey in October.

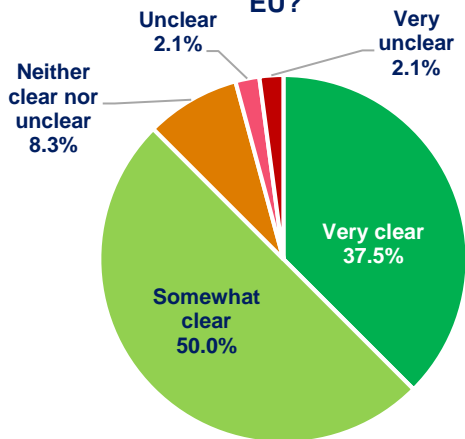
	We have done this	We plan to do this	No plans to do this	Don't know	We don't need to do this	We don't know how to do this
Obtained a UK EORI number	95.9%	2.0%	0.0%	0.0%	2.0%	0.0%
Obtained an NI EORI number	33.3%	16.7%	18.8%	14.6%	12.5%	4.2%
Obtained an EU EORI number	66.0%	8.5%	6.4%	8.5%	8.5%	2.1%
Set up a duty deferment account	53.1%	12.2%	8.2%	14.3%	10.2%	2.0%
Expanded in-house trade administration capacity	34.0%	18.0%	36.0%	2.0%	8.0%	2.0%
Engaged an intermediary e.g. a customs agent	78.0%	12.0%	4.0%	2.0%	2.0%	2.0%
Checked all commodity codes and tariff implications	90.0%	10.0%	0.0%	0.0%	0.0%	0.0%
Stockpiled ingredients and raw materials	66.0%	20.0%	14.0%	0.0%	0.0%	0.0%
Stockpiled finished products	52.0%	26.0%	18.0%	0.0%	4.0%	0.0%
Stockpiled packaging	60.0%	18.0%	16.0%	0.0%	4.0%	2.0%
Reviewed changes to labels that may be required	84.0%	12.0%	0.0%	0.0%	0.0%	4.0%
Reviewed changes to marketing standards requirements	50.0%	8.0%	14.0%	8.0%	12.0%	8.0%

Which of these preparations have you undertaken for 1 Jan 2021?

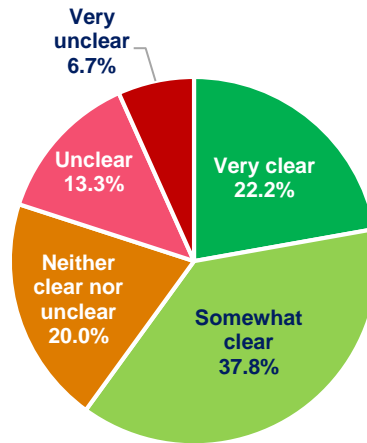
Figures around workforce preparations remain broadly consistent with data from our two previous surveys.

	We have done this	We plan to do this	No plans to do this	Don't know	We don't need to do this
Engaged with EU/EEA employees on EU Settlement Scheme	58.0%	0.0%	20.0%	10.0%	12.0%
Brought forward recruitment drives in advance of end of freedom of movement	2.0%	2.0%	62.0%	8.0%	26.0%
Assessed future recruitment practice in light of changes to immigration system	30.0%	12.0%	32.0%	8.0%	18.0%
Applied for a visa sponsor licence	18.4%	8.2%	36.7%	16.3%	20.4%
Reducing staffing requirements	6.0%	8.0%	56.0%	8.0%	22.0%

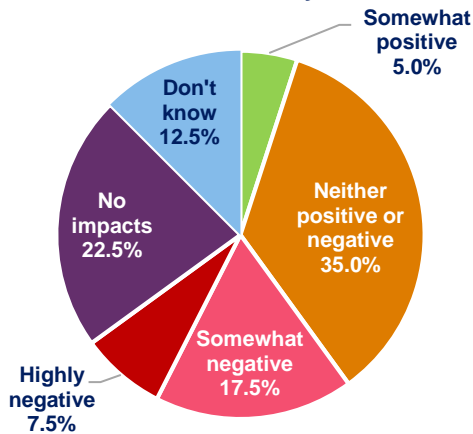
Are you clear about what your business must do to trade with the EU?



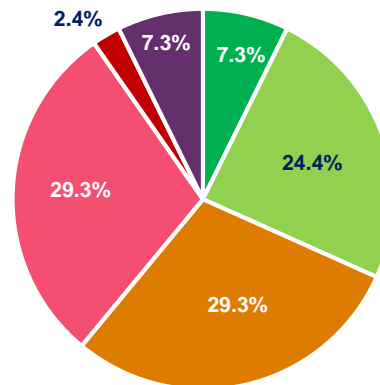
Are you clear about what your business must do to trade with NI?



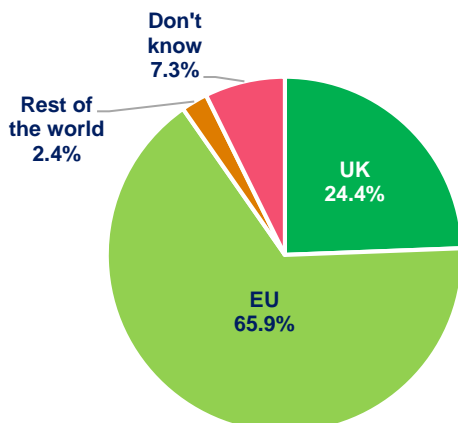
What impacts do you anticipate unfettered movements of goods from Northern Ireland to Great Britain will have for your business after 1 January?



What would be the impact on your business of installation and maintenance engineers from the EU not being able to enter the UK on short-term assignments?



Where does the majority of your manufacturing equipment in the UK come from?



- No disruption
- Minor disruption that would not reduce output
- Moderate disruption that would reduce output
- Significant disruption that could lead to lines being temporarily closed
- Substantial long-term disruption to overall levels of output and/or variety of products
- Don't know