Twitter Thread by Michael M. ■■■■■■■■■■



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A decent report from the NY Times...

"As the new year made Brexit a reality, Tony Hale encountered the pitfalls of Europe's redrawn geography. Specifically, he confronted the need to extricate 53 tons of rotting pork products from administrative purgatory

a port in the Netherlands.
For more than two decades, Mr. Hale's company had shipped pork to the European Union without customs checks, as if the United Kingdom and the continent across the water were one vast country.

With Britain now legally outside the bloc,

exporters suddenly had to navigate inspections, safety regulations & a bewildering crush of paperwork.
For Mr. Hale, incorrectly prepared documents meant sending five containers full of pork to an unplanned final destination : the incinerator.
"It's a new game,& we have to learn"

Mr. Hale said. "We are having to double- and triple-check every document."
In the early days of the post-Brexit era, Britain is struggling to adapt to its new position in the global economy — its fortunes still tethered to the European Union; its companies now on the outside.

The trade deal Britain struck late last year with the European Union stopped tariffs from being imposed on goods exchanged across the English Channel, but did not prevent the revival of customs procedures, health and safety checks, value-added taxes on imports, and other

time-consuming, commerce-limiting hindrances.

Businesses across Britain are now contending with paralyzing confusion and unfamiliar bureaucratic hurdles. Paperwork snafus, customs horrors and other expensive disruptions are intensifying the strains on an economy

that was already reeling from the pandemic.
....many companies — especially small- and medium-sized firms — lament what feels like a new normal.

The European Union has traditionally purchased nearly half of Britain’s exports.
However the volume of exports crossing the channel

in January *collapsed by more than two-thirds* compared with the previous year. Some producers of fish, shellfish, meat and dairy have been cut off from markets in Europe, suffering a catastrophic plunge in sales.
Transport firms are so wary of the complexities of sending goods

from Britain to Europe that many are avoiding the business. Roughly half of all trucks bringing goods from the French port of Calais to the English port of Dover are now returning empty, transporting nothing but thin air.

Britain’s lucrative finance industry has seen trading in

the stocks of European companies shift abruptly to the continent, as Amsterdam has displaced London as the primary market for such shares. Growing volumes of the exotic instruments known as derivatives — especially those denominated in euros — are abandoning London for New York.

Manufacturers are contending with grave disruptions to their supplies of finished products, components and basic materials. And the changes imposed by Brexit are only beginning, as London & Brussels continue to renegotiate the rules governing future commercial dealings ...

“We are going to be living with Brexit for the rest of our lives,” said Jeremy Thomson-Cook, London-based chief economist at Equals Money, an international money manager. “The coronavirus is an acute condition.
Brexit is *chronic.*"

During the 2016 Brexit referendum campaign, those in favor of leaving Europe promised businesses liberation from the suffocating regulations and time-sucking bureaucracy that supposedly prevailed across the Channel. James Wilson was dubious. He harvests mussels from the seabed of

the Menai Straits in northern Wales. Traditionally, such mollusks are unloved by Britons, making him dependent on Europe for 98 percent of his sales. Mr. Wilson anticipated extra paperwork.
but he was unprepared for the shock he received last month

Under EU rules, imports of live mussels were permitted from outside the bloc only if harvested in waters deemed of highest quality. The Menai Straits fell short — *not because of European perfidy, but under Britain’s own classification system*.
He's locked out of his sole market

A couple of hundred tons of mussels that would have previously fetched about 160,000 euros ($194,000) now lie in the muck, not worth harvesting. Mr. Wilson has furloughed three of his six workers.
Even those who can reach European markets have discovered that the promised

bonfire of regulations is actually a burning hell of paperwork. In the southwest of England, a few miles from the village that gave its name to Cheddar cheese, one cheesemaker, Lye Cross, anticipates spending an extra £125,000 ($173,000) a year to comply with the admin

that have accompanied Brexit. A transaction that last year entailed seven steps, including paying and invoicing, now runs to 39, said Ben Hutchins, the company's sales and marketing director.
During the first week of January, Hartington Creamery sent about 40 small packages

of its Stilton cheese to Europe. Collectively, they were worth about £1,000 ($1,383) The courier affixed a post- Brexit surcharge of around £5 each, or about £200. Customs authorities in Europe rejected the shipments, primarily because they lacked required health certificates.

Preparing such documents entailed hiring a veterinarian for about £180 per shipment.
Hartington refunded its customers, and paid the courier again to return the cheese to England.
"You feel pretty sick," said Robert Gosling, the company's majority shareholder.

"When you've got it back, you have to throw it all away because it has taken five or six days to get there and come back."
Before Brexit, a truck loaded with 25,000 liters of cream from a dairy plant in northern Wales could travel overnight and reach France by morning.

Now, that same journey can take five days, complained Philip Langslow, director of County Milk Products.
The dairy must alert the authorities of export at least 24 hours before departure, and must supply a weight — something it can't know for sure until the tanker truck is loaded

If its weight differs from what is reported on the paperwork, the shipment may be rejected on arrival. Mr. Langslow's company has cut its exports by half.

Before Brexit, Fashion Enter, with a pair of factories in Britain, could place order for high-quality thread made in Germany

and receive it in perhaps five days.
A recent order now took more than three weeks. It also incurred a handling charge of £44 pounds (more than $60) to cover the preparation of customs paperwork.
Without the thread, the company had to postpone work on a crucial order —

10,000 protective gowns for frontline medical workers at the National Health Service.
The thread supplier now imposes a minimum of £135 ($185) on orders from Britain, cognizant that a lower amount would require it to register to pay British value-added taxes,

said Jenny Holloway, Fashion Enter's chief executive officer.
Like many fashion businesses, her company aims to keep its inventory lean, allowing it to adapt to changing customer demands. But the new minimum order has forced the company to stock up more,

lest it run out of something that it cannot quickly replenish.
"It's going to tie up our cash," Ms. Holloway said.
"This is the new business that we find ourselves in."

The auto industry is especially vulnerable, given that parts frequently cross and recross the Channel multiple times for specialized processing before landing in finished vehicles.

FULL REPORT https://t.co/rlu0VZGut5