

Basildon Chemical Co. Ltd – Brexit Preparations and Plans

Dear Customer,

As you will in no doubt be aware, the UK is set to leave the European Union on 31st October 2019. The basis of this withdrawal remains unclear, and even at this late stage it uncertain as to whether the UK will exit the EU with a managed deal that will contain a ‘transition period’, or immediate termination of EU membership on this date. The latter of these two options will of course bring with it many challenges.

As such Basildon Chemical Co. Ltd is preparing for the worst-case scenario of a ‘no-deal’ Brexit, and have therefore been in long-term discussions with our suppliers, various trade associations, independent advisors, and our logistics partners in order to try and protect our supply chain.

The outcome of this has highlighted the following areas of concern;

- Compliance to EU/UK REACH
- Trade agreements/tariffs
- Delays at port for goods delivered into the EU

Compliance to EU/UK REACH

Basildon Chemical Co. Ltd, a wholly owned subsidiary of KCC corporation, is a Downstream User and Importer of chemicals. When the UK leaves the EU, this will continue to be the case and we will register with UK REACH as required, observing any deadlines.

KCC Corporation has active EU REACH substance regulations, using KCC Europe GmbH as the legal entity and Only Representative (OR). This will continue to be the case, with the OR also being able to act on behalf of Basildon Chemical Co. Ltd for any future EU REACH registrations required. KCC Europe GmbH is a wholly owned subsidiary of Basildon Chemical Co. Ltd.

Our legal obligations to UK REACH and EU REACH will be maintained as required, subject to the outcomes of the UK exit.

Trade agreements/tariffs

It is important to note that should the UK leave the EU without a trade deal, then the UK will immediately revert to WTO trading conditions. There is then a clear risk that tariffs will be applied to any materials that we import or export, and we will try to mitigate any impact that this may have.

Related to this, we are aware that the UK now has several trade agreements in place with non-EU countries that will be activated immediately in the event of a no-deal Brexit.

Delays at port for goods delivered into the EU

The requirement to customs clear all imports/exports at port in the event of a ‘no-deal’ Brexit will inevitably lead to delays at the port. The UK government is putting into place contingency plans to increase waiting areas which will assist local traffic in order to keep it flowing. However, import/export traffic will almost certainly experience severe delays for an unknown period.

In order to mitigate these delays we have been working closely with our logistics partner in order to find alternative transit routes into the EU that would avoid the highly congested areas of the Port of Dover, and the Channel Tunnel. We have been successfully trialling these new routes since March 2019, and to date they have not unduly affected our transit times.

As there is a high degree of uncertainty surrounding the UK’s exit from the EU, we are continuing to advise our customers to review their stock requirements, and place forward orders so that we can prepare and deliver your orders on time, and in full.

Please note that due to the on-going uncertainty surrounding Brexit, the information provided above may be subject to change as new information becomes available from either the UK parliament, or European Commission.

If you would like to discuss your order requirements, forward orders, or require further information, please contact your account manager.

David Laye
Supply Chain Manager

30th September 2019