

## **BETA Report – 11<sup>th</sup> December 2020 BHC Meeting**

Agree with David earlier – an interesting year seeing highs and lows.

### **Covid Response**

Largely the equestrian trade has bounced back well from the impacts of Covid. Retail and trade are reporting levels of turnover equalling or exceeding that of the same time last year.

The biggest issue however is in shortage of supply due two associated issues:

- 1- Interruption of manufacturing caused by uncertainty during the first lock down causing shortages.
- 2- Demand resuming to levels over that expected for the year compounded by interruption to the supply chain of both imported finished items and components and raw materials. Some items especially those requiring close contact and fitting saw greatest interruption and equally saw a surge in demand and here too there are delays in supply of items such as hats and body protectors and saddles amounting to up to 2 months into retail.

Supply chain interruption is due not only to the impact of Covid on overseas production chain but also due to the international nature of our trade and associated shipping issues. This means that containers needed for shipping of goods are not in the right place causing delay in transit and vastly increased shipping costs, in some cases even once goods are on the water in transit. Impact is not only on equestrian but across the entire market from footwear to furniture.

This will inevitably mean increases in costs going forwards once again compounded by possible EU exit related issues meaning that some goods will face duty charges previously unseen.

Another area that we have picked up increases of costings to is not just trade related but possibly further across the sector – namely in

Professional Indemnity Insurance. We have seen a notable increase in costs to this type of insurance meaning that in some cases we have had cases of policies not being renewed despite no claims and in other cases premiums going up 5-fold or more. Alert to those of you who have this type of cover to be aware that costs may increase and be prepared to look wider.

## EU Exit

Certainly alongside Covid the other big item in my inbox and reflected in calls has been preparations for EU Exit and issues related to this, including changes to paperwork, duty rates and the need for third party representation for certain products.

The last point is causing us greatest concern- currently finished feed and feed ingredients entering the EU require the appointment of a third party representative where the exporter themselves do not have a presence in the EU. After the end of the year as GB exits the EU companies exporting these items into GB require a rep here- perhaps not needed before where the rep was for example elsewhere in the EU.

In addition, GB companies exporting into EU will also have to appoint a rep in the market. The latter process seems to be running smoothly however there is currently no ability for exporters into GB to appoint a 3<sup>rd</sup> party rep. Due to the FSA not accepting applications nor processing pending legal advice. In simple terms this means that unless this is rectified finished feed and feed ingredients will not be able to enter GB post December- causing issues in both supply and manufacturing.

We have addressed our concerns to the department together with the other trade associations representing farm animals and pets and are awaiting a response from the department imminently.

## Safety products

As you would expect, I couldn't do a report without mentioning safety equipment.

We are proceeding with work as part of the EU safety committee structure with the UK's role secured going forward.

We are midway through the writing of the EU standard for equestrian air vests which we envisage being completed within the next year – 18 months. Rather than being transposed into UK standards as would have happened in the past, we have the choice of recognising this as we do other standards of non-British origin or adopting it to a British standard.

Similarly we are about to revisit the EN1384 which has largely been dormant for nearly two years. The revised draft reflects the PAS015 and if we are able to agree this as a committee this may have a chance of being harmonised which will assist British manufacturers. Due to the time it takes this to happen you will likely not see this come through until 2022 at the earliest.

The main impact of EU exit that many of you will notice will be the way safety products and similar are marked.

Currently the CE mark is required on certain products entering the European markets, typically on safety items.

The UKCA (UK Conformity Assessed) marking will replace CE marking for goods being placed on the market in Great Britain (England, Wales and Scotland). It covers most goods which previously required the CE marking.

Goods manufactured up to 31<sup>st</sup> December 2020 and CE marked can be **placed on UK market** until 31<sup>st</sup> December 2021.

1<sup>st</sup> Jan 2022 Only UKCA marked goods can be placed on UK market. This can be a label stuck on goods or packaging.

1<sup>st</sup> Jan 2023 Only UKCA fully labelled goods can be placed on the UK market.

Goods for sale in retail outlets are not covered by these date restrictions.

The UKCA marking alone cannot be used for goods placed on the Northern Ireland market, which require the CE marking or UK(NI) marking. See the guidance on [placing goods on the Northern Ireland market](#).

This does not apply to existing stock, for example goods were fully manufactured and ready to place on the market before 1 January 2021. In these cases your good can still be sold in Great Britain with a CE marking even if covered by a certificate of conformity issued by a UK body.