

## Press release

# Fashion industry faces a logistical nightmare

Wednesday 29 August, 2018:

The British fashion industry is likely to have to drastically alter its business practices as a result of Brexit, particularly if there is no deal. If there is no deal, fashion manufacturers - who import raw materials from the EU to make clothes for sale into the UK and the EU – will be subject to additional tariff costs. And these are quite random. Buttons and zips, for example, face a 3.7% duty; belts will be subject to a duty of 12%; and shoes a duty of 17%.

There will be reams of paperwork for each component part that is imported or exported. And then more paperwork if the final product is sold within the EU. On top of this, there are possible Technical Barriers to Trade, which can be imposed by a country to 'protect' its consumers under WTO rules. If a country decides that a company's standards don't meet its standards, then it could be blocked from supplying.

Like many other industries, clothing manufacturers could also have to deal with possible queues at ports delaying shipments, changes in the rules on payment of VAT, to make importers pay their 20% upfront, and potential delays at immigration for foreign buyers.

Each step in the supply chain will require many more pieces of paper to be completed and sent somewhere – starting from the first shipment of cloth from Italian mills, for example, followed by moving finished clothes and models to Paris or Milan for the seasonal catwalk, and then supplying shops across the EU with whole product lines. It could easily prove to be a logistical nightmare from the first sketch to the clothes hanger.

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### Notes to Editor

To hear more on how Ready for Brexit will help businesses, Paul Hodges is available for interview on +44 (0) 7785 354809.

### About Ready for Brexit

Ready for Brexit is independent and objective. It aims to help businesses and organisations understand the challenges and opportunities that Brexit will create. Its founders are highly experienced business people and aim to ensure that SMEs in particular have access to curated and accurate information regarding the Brexit process and what it means for them in practical terms.

Ready for Brexit users are being offered a one-month free trial, which includes access to the Brexlist™ business preparation checklist. After this there is an annual fee of £195 to access the platform.