

## **Drive Lines Technologies Ltd**

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## **Power Transmission Solutions**

January 2019

Dear Customer,

In response to requests regarding our Brexit readiness status, please find the following statement:

Drive Lines Technologies Ltd is a UK distributor of European (mainly German) power transmission products. Therefore the shape of our future trading relationship with the EU is of prime importance to us. The current polarised position of interested parties in the EU and UK has created an increased economic uncertainty to the point where we have little idea what situation we should be planning for. It is clear that trade, on whatever basis, will continue between Europe and the UK. The mutual importance of a continuing and comfortable relationship is paramount.

Steps we are taking now:

- To involve our suppliers and major customers in the process to ensure our readiness to meet whatever situation faces us after Brexit. We are aware that a lack of information could lead to doubts that we are prepared for what lies ahead.
- Maintain an open mind about the future. Gather intelligence, government and non-government, news and comment from suppliers and customers and make reasonable predictions of the consequences.
- There is already some considerable speculation about the shape of our 'new' relationship with the EU. Mostly this comment is speculative. Inevitably there will be grains of truth and some concrete facts but the complete picture remains unclear. We should plan for both an ordered exit and one in which we as a commercial business will be expected to react. Regular informal discussions as well as close attention to news are vital to ensure we keep a clear picture of our likely future.
- Keep all concerned stakeholders informed of our decisions and the reasons.

It is still unclear whether tariffs will be imposed on the movement of goods or what form these may take. We may have to consider system and staffing changes to meet these.

A further, and inevitable effect, if tariffs are imposed, are possible delays at ports of entry; which may further affect our customers. In the event of a no deal Brexit and the necessity of customs declaration we will use our goods courier, TNT Express, to process this on our behalf under their Authorised Economic Operator (AEO) status.

Drive Lines is already EORI registered (Economic Operator Registration and Identification).

We will review the need to stock some products in larger numbers, however we encourage our customers to order further ahead to reduce pressures on lead times as customs declaration will inevitably add to lead times.

As soon as we have a clearer picture of what the situation will be after 29<sup>th</sup> March 2019 we will issue a further statement.

Yours sincerely

**Drive Lines Technologies Ltd**

Ian Carr - Managing Director