

OUR STRATEGIC ROADMAP

Our Position

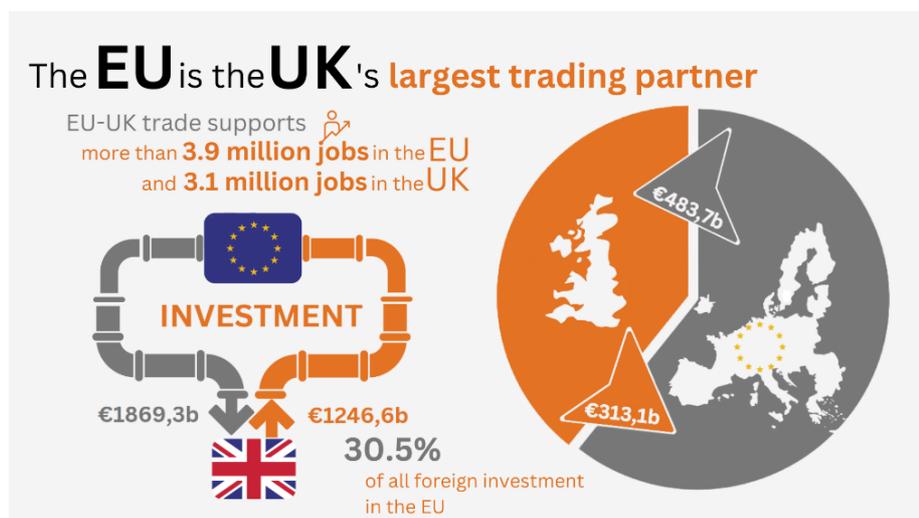
The British Chamber of Commerce | EU & Belgium has always played, and will continue to play, a depoliticising role in UK-EU affairs, providing an **independent** platform for dialogue and cooperation on issues of **common** concern.

The challenges of the UK's withdrawal from the EU are well known and our members continue to face new hurdles every day. Nonetheless, we are committed to taking a **forward-looking approach**, where we identify opportunities to **optimise** trade and collaboration between UK and Belgium/EU in a post-Brexit environment.

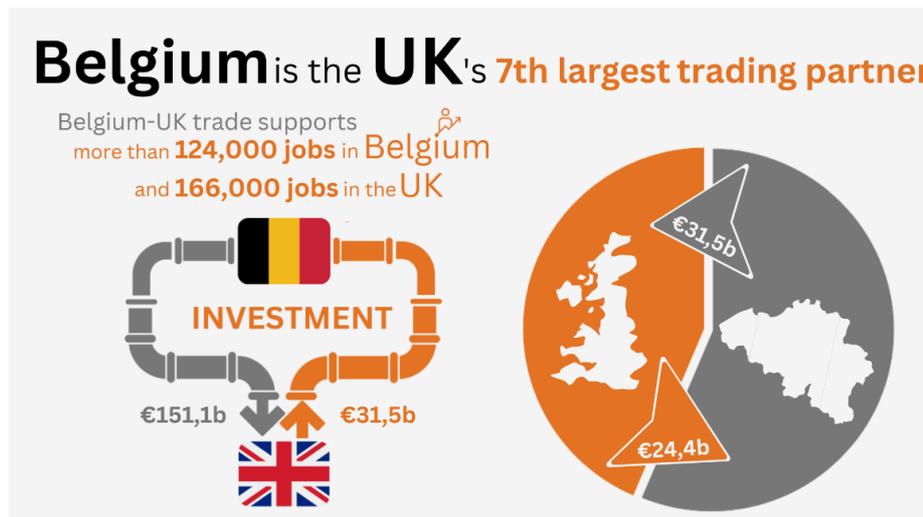
We want to strengthen our voice and will do so by actively addressing European affairs through non-political policy papers and institutional submissions. Through the support of our members, we can gather **fact-based evidence** from various businesses, providing us with an invaluable overview of insights and experiences from a wide range of sectors.

Importance of EU-UK-Belgium relations – in numbers

The Chamber has served British businesses as the gateway to Europe for over 100 years, and amid a continuously evolving EU-UK partnership, we continue to promote a **free, fair and open pro-business** relationship between UK-EU and UK-Belgium. The UK is the EU's second most valuable partner, with more than **€1200 billion in aggregate investment**, **€796,7 billion in total trade value** and **3.9 million jobs** supported in Member States from exports to the UK alone.



The British commitment to growth and investment on the continent is especially strong in Belgium. Trade between the UK and Belgium has reached a peak of **€55.4 billion**, and British businesses have **invested €31.3 billion** into the country in 2020 alone. Furthermore, through its Science & Innovation Network in Belgium, the UK has fostered a strong relationship with Belgian partners in the areas of research and innovation, with **8,500 UK-Belgian collaborative links** as part of the Horizon 2020 project, and the UK being the 5th largest collaborator to Belgium.



Strategic Action Roadmap

The ***BritCham Roadmap*** reflects our commitment to the promotion of strategic projects of ***mutual benefit*** to the UK, EU, and Belgium in areas of importance to the activity of our stakeholders, such as

- **agrifood**
- **customs and trade**
- **climate and sustainability**
- **defence**
- **digital**
- **energy security**
- **financial services**
- **health**
- **research**

Irrespective of the politics, these types of issues need to be high on the political agenda. This roadmap will guide our engagement with political institutions, the support we provide to our membership, and our agenda for policy briefings, roundtable discussions and other events.

Examples of Focus Areas for our Strategic Action Roadmap

Agrifood

Agrifood is a sector that demands deep and ongoing cooperation between the EU and the UK. Trade in food between the EU and UK sustains rural communities and generates thousands of jobs in farming and processing. Cooperation is all the more important at a time when the Russian invasion of Ukraine and changing global weather patterns have highlighted the fragility of global supply chains and there are increased concerns about food security.

As stated by Commission Executive Vice-President Valdis Dombrovskis, “while the EU itself does not face a food security risk, we should still address food affordability issues and take steps to make our agriculture and food supply chains more resilient and sustainable to cope with future crises.” It is in the UK’s and EU’s shared interest to work together on resilience and sustainability.

There is a deep level of integration in supply chains across the EU and the UK, with a strong positive trade balance in favour of the EU. UK farmers currently produce to the same standards as producers in the EU, and under the Northern Ireland Protocol (NIP) farmers in Northern Ireland will remain deeply integrated with EU rules. The UK government’s objectives for agrifood, particularly in the areas of animal welfare, environmental protection and production standards means that whilst regulatory practices may diverge over time, rules are unlikely to differ in substance. More broadly, the UK’s political economy, including its preferences in food and environmental standards, belongs in the European mainstream. The UK is committed to net zero by 2050 and in England the NFU has a target for farming of net zero by 2040.

The EU/UK Trade and Cooperation Agreement (TCA) ensures that trade between the EU and UK remains tariff-free, but practical experience of the TCA and the NIP demonstrates that further efforts are required by the EU and the UK to improve trading conditions, particularly on sanitary and phytosanitary (SPS) standards.

Customs & Trade

Members of the British Chamber are businesses from both side of the Channel. For these businesses the mutual benefit of minimising barriers to UK-EU trade is clear and pressing . As a study by the Economic and Social Research Institute in Dublin shows, the UK’s exit from the EU has had deeper opportunity costs than anticipated. The study found that Brexit reduced overall EU-UK goods trade flow by almost one-fifth, with the UK-EU goods trade reducing by 16% and EU-UK by 20%. According to the Office for National Statistics (ONS), there has been a decline of UK exports to the EU’s main capitals. For instance, combined UK exports to Germany have declined from £56.3bn in 2019 – the year before the UK left the EU – to £47.3bn in 2021. There is a similar trend with export of goods and services to France, which fell from £40.3bn in 2019 to £32.3bn in 2021.

The EU and UK customs authorities are committed to improve and digitise customs procedures to foster a green and sustainable transition. Many border related issues have already been addressed by an open and constructive dialogue between the technical departments of the European Commission, the UK Government and our members. We highly appreciate this strong relationship with our members to deal with future issues in trade and to further facilitate customs procedures for enabling a close EU-UK trade relationship.

Rules of Origin and Battery Production

A common agenda for ramping up battery production in the EU and the UK is important. The EU-UK Trade and Cooperation Agreement establishes the first step by defining increasing local content requirements for batteries. However, the global nature of the batteries industry calls for additional efforts to find synergies in domestic approaches throughout the value chain from raw materials to the final production of batteries. In this respect, the UK and EU raw materials approaches could open opportunities for a positive bilateral agenda. This approach could focus on streamlining customs procedure to facilitate cross-Channel movement of goods, and avoid local content requirements that hinder, rather than support, efficient battery supply chains and production. This would support the development of Europe's batteries industry.

Given the impact of the pandemic situation of the past years and the current geopolitical situation these increasing local content requirements need to be re-evaluated.

Because of supply chain shortages the ramp up of battery production is behind track and businesses must still rely on imports of non-originating materials for battery production over the coming years. A stronger EU/UK relationship could help drive the EU's open strategic autonomy objective. The recent disagreements between Brussels and Washington on electric vehicles illustrate the UK's and EU's potential mutual interest.

Creating a structure which enables the development of batteries ecosystem in both the EU and the UK would allow businesses to maximise benefits of interlinked cross-channel supply chains, including through sensible local content requirements.

Digital

Given the pace of technological change, and the need for governments to identify and mitigate risks, it is likely that digital regulation will be one of the early tests of the new UK-EU relationship as both consider how to tackle similar issues in different ways. While there might be different approaches the two should continue to place the same values at the centre of regulatory systems and maintain an open and ongoing dialogue. The regulatory approaches should also continue to be compatible. Data flows and access to data are cornerstones of both the EU and the UK's digital agenda. The UK and EU should work pragmatically together as data protection frameworks continue to develop to ensure there are no barriers, frictions or data localisation requirements as this will have a direct and significant impact on companies in both regions. UK-EU adequacy is crucial and is of mutual benefit to both sides. It is in no one's interest to insert friction in UK-EU transfers. If the digital economy is the future, then people having the requisite skills will be crucial, both for employment but also for social inclusion. There is a global shortage of digital/tech talent and the UK and EU could work together on ensuring that future talent is developed by sharing best practices and collaborating. Research is also crucial in this space and there is a win-win if the UK were allowed to "pay to play" in Horizon Europe.

Climate & Energy Policy – same targets and same interests

The British Chamber views energy and climate policy as an area where there is a particularly strong rationale for ongoing deep co-operation between the UK and EU.

The UK and EU have practically identical targets for climate change policy and emissions reduction:

- They are both committed to a legally binding target of net zero by 2050
- The EU's 55% emissions reduction target by 2030 is on the same trajectory as the UK's target of a 78% reduction by 2035.
- The UK was part of the EU Emissions Trading system from its start until the UK's withdrawal from the EU, and the UK Emissions Trading system is a robust carbon pricing mechanism that delivers similar emissions reductions to the EU system.

In energy security terms, strong EU/UK cooperation can both improve short-term security of supply and in the medium term develop significant amounts of renewable energy generation in the North Sea.

The UK is a key part of the European energy markets security of supply, inputting gas into the European system via the UK's Liquefied Natural Gas (LNG) terminals and then via two interconnector pipelines to Belgium and the Netherlands. This is an important part of Europe's preparation for winter in the aftermath of the invasion of Ukraine. In the medium term, co-operation in the North Sea between the UK and EU will enable the development of large scale offshore wind power that will offset Europe's need for external gas supplies. To achieve this, there is the need to work more closely on maritime spatial planning, to have compatible regulations and to encourage cross-border projects.

The UK/EU Trade & Co-operation Agreement has a substantial energy title within it which if implemented fully gives a strong basis for co-operation going forward. We would encourage both sides to implement the TCA fully and bring forwards co-operation in the North Sea in particular, working with key partners across member states. We strongly support the UK's re-entry into North Sea Energy Co-operation (NSEC) and other steps to deepen co-operation.

Research

UK research and researchers mobility has been significantly impacted by the uncertainty over the future UK-EU relationship. Not being part Horizon-Europe (HE) (as a non-member state) has impacted those based in the UK and those collaborating with UK researchers. Both the EU and the UK are losing out – UK scientists have consistently ranked among the top beneficiaries of EU funding and are significant, and important contributors to European research. British Universities face a “brain drain” if the UK's associate membership of HE is not ratified. The UK's ability to take part in other joint science programmes, or make any decisions about projects, (eg European Atomic Energy Committee and EUROfusion) is also significantly hampered. We would urge both sides to find a solution to ensure that neither the EU nor the UK suffer irreparable damage to its research capabilities.