

EU EXIT PRESSING ISSUES

The RMAS have identified the following key issues that are likely to impact on the Scottish SME resource management sector in the event of a no-deal EU exit:

- ▶ Continuing uncertainty is having a significant effect on the appetite of European companies to enter into contracts with UK companies. This is due to all the potential implications that the EU Exit brings and the very real prospect that it could make trading relationships unprofitable, and is clearly impacting on the ability of Scottish companies to maintain or develop these trading relationships.
- ▶ VAT issue most significant re export of RDF - in event of a no deal EU exit, VAT will be applied; although VAT will be able to be claimed back, the process will result in substantial additional administrative burdens, delays in payment of VAT reclaim as different member states have different repayment periods in place, concern over cash flow and resultant impacts. There is also the need to understand VAT implications for recyclates.
- ▶ Movement of SRF/RDF out of the UK to Europe, with destination plants now deciding to source more material from mainland Europe rather than the UK, increased landfill and resulting impact on landfill capacity.
- ▶ Sweden also looking to introduce an incinerator tax which would cost around £6/t, and 32 Eur tax being implemented by Holland (January 2020).
- ▶ Emerging Eastern European markets developing which will also impact on SRF/RDF exports.
- ▶ Weaker pound and the impacts on capital costs of importing infrastructure.
- ▶ Changes may occur to the requirements waste carriers need to meet to carry waste in certain EU member states.
- ▶ General logistics and transport issues for the export of waste materials both within the UK and at borders.
- ▶ Storage capacity at ports and on sites, if there are backlogs how will these be regulated.
- ▶ General issues of compliance with environmental law/scope for criminal activity and the resources to monitor/police.
- ▶ Status of EU nationals currently working in the UK.