

Trifast plc - Brexit Announcement - August 2020

In 2016 the UK Government announced the result of the referendum to leave the European Union. Since then TR Fastenings has been actively working to understand the impact of the decision. We have dedicated time and resource across the business, from Executive Board level downwards to create a Brexit Strategy Group. This working group consists of all major disciplines from Sales, Operations, Sourcing, Finance, Purchasing, Manufacturing and Logistics.

Our Brexit Strategy Group meets regularly to make decisions based on facts, whilst evaluating various Brexit scenarios and assessing the impact these may have. We focused initially on the resulting currency fluctuations in order to mitigate, as much as possible, the impact on our customers and we continue to concentrate activity in this area. We now analyse the data within our supply chain at an individual component level to identify any potential risks. We have also undertaken a complete review of our customs data and its accuracy. We believe this action will enable us to make decisions as and when further information becomes available.

As we find ourselves in the second half of the year in 2020, through what is hopefully the worst of the COVID-19 Pandemic, Brexit negotiations are continuing in Brussels with the imminent departure of UK from the Union on 1st January 2021.

Current discussions within the Strategy Group include identifying risks on all imports and exports throughout the manufacturing and distribution process which could result in: tariff changes; border delays; information technology challenges; integrated supply chain issues; people and workforce impact; further currency depreciation; quality accreditation; and regulatory compliance. If no deal can be reached, we have made provision to continue trading under the rules set out by the WTO (World Trade Organisation).

Although Brexit has created some uncertainty and the true commercial impact is not yet known, TR is committed to ensure there will be minimal impact to the day-to-day transactions with our customers. During our extensive preparations, we have gained significant knowledge and expertise that will allow us to react and implement any new trading conditions swiftly once the Brexit negotiations conclude.

One possible scenario resulting from Brexit may be delays due to customs processing. In this event some of the solutions TR could implement would be to: increase lead times to cater for the additional delays; ramp up stocks to increase the buffer held locally; or look to alter supply and distribution routes.

As a global business with more than 70% of revenue outside of the UK, The Trifast Group is well placed to leverage these economies of scale, allowing stock holding of products in any one of our 32 locations across the world. Further agility comes from manufacturing sites located in the UK, Europe and Asia, together with a globally managed vendor base allowing flexibility in supply routes.

TR understands that a supply chain is only as strong as its weakest link and we are committed to upholding the level of service our customers have come to expect from us over the years.

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