



Expertise  
and insight  
for the future

Emmi Hillo

# The Impact of a no-deal Brexit on FIN-UK Trade

Case study: the import and export of vehicles and paper products

Metropolia University of Applied Sciences

Bachelor of Business Administration

International Business and Logistics

Bachelor's Thesis

30.4.2019

Author(s) Title	Emmi Hillo The Impact of a no-deal Brexit on FIN-UK Trade, Case study: the import and export of vehicles and paper products
Number of Pages Date	41 pages + 0 appendices 30th of April 2019
Degree	Bachelor of Business Administration
Degree Programme	International Business and Logistics
Instructor(s)	Rosli Kamarul-Baharin, Senior Lecturer
<p>The impact of Brexit has been a topic of discussion ever since the referendum vote in the UK in 2016. What underlines the topic itself is the uncertainty of the true depth Brexit will impact the free movement of goods and other important areas in general, such as the free movement of persons, the possible impact on credit interest, in addition to the possible changes in the transportation sector. Nevertheless, Brexit will ultimately change how businesses are to continue trade across the UK-EU border after a no-deal scenario.</p> <p>Therefore, the research question intended to be answered is how a no-deal Brexit will be impacting the current trade patterns between Finland and the UK, by focusing on the trade of vehicles imported to Finland and paper products exported to the UK. First, the current trade regulations must be established in order to determine what may change if the UK leaves without a divorce agreement. As the UK will automatically continue trade under WTO rules, these rules will be also established in order to make a comparative analysis on the possible outcomes.</p> <p>The research is conducted with qualitative research and the research method is a comparative in a case study. Sources, such as news articles, government websites and statistics websites, were used to gather information about the topic in order to determine the outcome of the research question.</p> <p>The analysis focuses on the most important aspects regarding trade between the UK and Finland. Moreover, the analysis indicated some major changes in vehicle trade due to tariff rises and additional documentation for Customs declarations. The paper product export is slightly less impacted by Brexit, which is beneficial for Finnish businesses, as the UK officials have issued no additional tariffs for their import on the UK border.</p>	
Keywords	no-deal Brexit, trade, Finland, the United Kingdom, vehicles, paper products

## Contents

1	Introduction	1
1.1	Significance of the topic	1
1.2	Structure	2
1.3	Relevant literature	2
1.3.1	Literature	2
1.4	Research question and methods	3
1.4.1	Research questions and main issues	3
1.5	Data collection and analytical approach	4
2	The European Union	5
2.1	The EU's Customs Union and the Single Market	6
2.2	The transportation sector	6
3	Brexit	7
3.1	No-deal Brexit	8
3.2	Areas that could be affected	9
3.2.1	Free movement of goods	9
3.2.2	The free movement of labour	10
3.2.3	Transport	12
3.2.4	Credit interest	13
4	Overall trade between Finland and the UK	14
5	Current trade patterns between the UK and Finland	16
5.1	Export to the UK from Finland	16
5.2	Import from the UK to Finland	17
6	Most important factors for trade before Brexit	18
6.1	General EU rules and requirements for goods	18
6.1.1	Product standardising	18
6.1.2	Labelling	19
6.1.3	VAT	20
6.2	National law	20
7	Trade changes after Brexit	21

7.1	Requirements for import to Finland	21
7.1.1	Documentation	21
7.1.2	General Rules of origin	22
7.1.3	Import VAT	23
7.2	Export declaration for goods leaving Finland	23
7.3	Requirements for UK import	24
7.3.1	Tariffs	25
7.3.2	Rules of origin	25
7.4	Export changes for UK businesses	26
7.4.1	Documentation required	26
7.5	Import changes for UK businesses	26
8	Comparative analysis	27
8.1	Checklist for analysis and most important factors to be considered	27
8.2	Analysis	27
9	Conclusion	29
9.1	Further discussion	29
9.1.1	The Withdrawal Agreement	29
9.1.2	The Rotterdam effect	30
9.2	Recommendations	31

## List of figures

Figure 1. The biggest import and export countries of Finland in 2017 (Statistics Finland 2019)

Figure 2. Trade between Finland and the UK in 2008-2018 (Tulli 2018)

Figure 3. Finnish exports to Britain in 2017 (Ministry of Foreign Affairs of Finland, n.d. a)

Figure 4. Import from Britain to Finland by product category (Tulli 2017a)

Figure 5. Checklist for analysis

## List of abbreviations

EU = European Union

UK = United Kingdom

ECAA = European Common Aviation Area

EEA = European Economic Area

EFTA = European Free Trade Association

VAT = Value Added Tax

ECAA = European Common Aviation Area

WTO = World Trade Organisation

MFN = The most-favoured nation

GATS = General Agreement on Trade in Services

RWN = Rating Watch Negative

TFEU = Treaty on the Functioning of the European Union

EU WVTA = European Union Whole Vehicle Type-Approval System

UNECE = United Nations Economic Commission for Europe

SAD = Single Administrative Document

EAD = export accompanying document

MRN = movement reference number

EORI = Economic Operator Registration and Identification

GPD = gross domestic product

CPC = procedure code (CPC)

CHIEF = Customs Handling of Import and Export Freight

## 1 Introduction

How Brexit will impact trade between the United Kingdom (UK) and the European Union (EU) has become a relevant topic that is often discussed about in the news and media. What underlines the topic itself is the uncertainty of the true depth Brexit will impact the free movement of goods and how it will affect businesses who solely conduct trade within the EU Single Market. Free trade agreements are necessary in order to promote frictionless trade between states and to lessen the need of bureaucracy regarding businesses. The impact of Brexit can not only be seen in trade, but in various sectors as well. For instance, in case of the UK leaving without a divorce deal, it may have significant changes for both the British and EU citizens living in the EU in a practical manner. Moreover, Brexit itself is unprecedented and the impact depends highly on the manner of Britain leaving the EU, as no other country has ever left the union. However, before it can be determined how Brexit will impact the export and import trade, one must first assess how trade is done at present day, while it is still a member of the EU.

This thesis will focus on trade between the UK and Finland after the UK cuts ties with the EU without a divorce agreement, which is considered to be a “no-deal” Brexit. As the categories of trade products between Finland and the UK is broad, the focus point will be on the top import and export product categories, which are paper products and transportation products (more specifically vehicles).

### 1.1 Significance of the topic

The main reason this topic was chosen for this thesis was that the author is a Finnish citizen. Additionally, Finland and the UK were chosen as the market focus due to the practical reasons of information availability and the familiarity with the Finnish market factors. The subject itself is significant in a sense that Brexit will have an impact on trade in Europe regardless of the manner of Britain leaving the EU. According to Ward (2018), UK exports to the EU were GBP 274 billion, which resulted in 44 percent of all UK exports. In addition, in 2017 UK imports from the EU were GBP 341 billion, which amounted to 53 percent of all UK imports. As this case is unprecedented, it will most likely set guidelines for those member countries who would wish to exit the European Union in the future. Moreover, not only trade is affected by Britain leaving the EU, but also the Britons living in the EU and the EU citizens living and working in the UK, in addition to the current rules and regulations imposed onto the member countries by the EU (Sandhu 2019).

Moreover, the transport sector will be affected by how the movement of goods will change and how much it will cost for trade companies overall. Access to Britain by road will be heavily monitored as Brexit will step into place, as the crossing from Calais to Dover is the most used entrance into Britain by road. Air freight will also be impacted, especially in a no-deal scenario, as flights from the UK to the EU will no longer be possible due to the UK not being a member state of the EU and thus not being a part of the European Common Aviation Area (ECAA) (Butcher 2018).

## 1.2 Structure

The introduction will present the topic of this thesis with a justification and the significance of why it was chosen. The literature review gives an insight of the sources used followed by the research questions and an explanation of the analytical approach chosen for this topic. Chapter two will introduce the EU and its Customs Union and the Single Market, in addition to the transportation sector. Brexit will be introduced in chapter three, with focus on a no-deal Brexit. As Brexit does not only challenge trade and will impact other sectors as well, there will be several subtitles in this chapter. In chapter four the main focus will be on current trade statistics between Finland and the UK, in addition to chapter five focusing more on the statistics regarding the different trade product categories. Chapter six focuses on the important factors regarding trade between Finland and the UK. The chapter states the most important aspects regarding trade and what is required for businesses when exporting and importing goods. Moreover, chapter seven centers around the changes a no-deal Brexit will bring to businesses and what is required from all parties while doing trade across state borders. The analysis of the found results will be discussed in chapter eight and the thesis will conclude in chapter nine with further discussions regarding a Withdrawal Agreement and the Rotterdam effect.

## 1.3 Relevant literature

### 1.3.1 Literature

There is a vast number of articles to be found about Brexit and how it will affect the remaining countries in the European Union, in addition to how it will change the current trade situation. The current situation on Brexit is happening presently and therefore is still ongoing, which is why there is a possibility that relevant books specifically on Brexit have not at present been published, and therefore the reason why the research has to rely on recent articles, statistics and government websites.

Most of the relevant literature will focus on the current state of the trade between Finland and the UK. The current rules and regulations can be found in books, as they have mostly not changed during the years. Moreover, the newest changes in trade policy is available online. A large portion of the trade will be based on statistics from the most recent available databases. As mentioned before, most events regarding Brexit will change almost daily as the divorce settlement is still ongoing.

Brexit involves many countries internationally, therefore many websites of newspapers both in the UK and Europe, in addition to the United States, are writing about recent activities regarding Brexit and how it will affect trade in the future and what can be expected to change. There are several relevant government websites where to find information on how Brexit will change trade for a company and how companies can prepare for a deal or no-deal scenario. They also have information on how Brexit will affect British and EU citizens living in the EU and the UK. Most government websites are deemed to be reliable with up to date information, which is why they have been chosen as central sources for trade changes. Moreover, various newspapers have articles written almost daily on what the status of Brexit is at the moment, in addition to the government of UK publishing papers on how Brexit will impact transportation and trade. Some of the written online articles may be subjected to bias, as a large number of sources are proven to be British, and Brexit is ultimately a British affair. However, it is still possible to observe and implement these sources accordingly to provide information on this topic.

#### 1.4 Research question and methods

##### 1.4.1 Research questions and main issues

The research question intended to be answered is how a no-deal Brexit will be affecting the current trade patterns between Finland and the UK. First the current trade patterns under the existing EU rules must be determined in order to then make presumptions of the possible disruptions and impacts. The top main import and export products used for trade will be analysed as to how the change in regulations will affect trade for businesses. Therefore, the main focus for comparison will be concentrated mainly on paper products and transportation products, such as vehicles, as these two product types are the biggest commodities to cross the Finland-UK border.

According to European Commission (2010, pp. 9) the definition of goods mentioned in Articles 34 and 35 TFEU (Treaty on the Functioning of the European Union) is:

“by goods, within the meaning of the ... Treaty, there must be understood products which can be valued in money and which are capable, as such, of forming the subject of commercial transactions”.

The Articles 34 and 35 mentioned above handle all forms of import and export of goods and products, however, the goods must have economic value in order for it to be considered as goods.

There are several problems arising regarding Brexit in general, as the situation is changing and businesses are concerned about the uncertainty of the outcome of Brexit, which is why the UK Parliament and the EU Commission are providing additional information on different Brexit scenarios and how export and import businesses can ready for it.

### 1.5 Data collection and analytical approach

The research method, which was chosen for this topic was a comparative analysis in a case study. Shuttleworth (2008) describes the case study approach as “useful for trying to test theoretical models by using them in real world situations”. This particular research method allows the examination of hypothetical scenarios what might happen with different outcomes and how the outcome will impact trade.

Data collection is conducted with qualitative research. This includes, for instance, statistics, and will be collected from already existing sources, as collecting statistics regarding the subject would prove to be impossible. The sources will be then cross checked with other reliable sources in order to be certain the data is correct. As Brexit is an ongoing event, the newest possible sources will have to be applied in order for the information to be accurate and still be relevant at the time this thesis was written.

## 2 The European Union

The European Union is a political and economic union of 28 member countries<sup>1</sup>, which are primarily located in Europe. Regarding trade, the EU promotes to enhance its economic, social and territorial cohesion and solidarity among the EU states. The EU has developed an internal single market, the European Single Market, through standardised systems of law. This means that the movement of goods, capital, services and labour are free to move across borders within the EU member countries (Sherlock & Reuvid 2008 pp. 256 [and] European Union 2019a). However, a few countries<sup>2</sup> have been extended with exceptions and are a part of the European Single Market through the agreement on the European Economic Area (EEA). In addition, Turkey, Andorra and San Marino are a part of the EEA through bilateral treaties (Sherlock & Reuvid 2008, pp. 256). According to the European Commission (n.d. a), the EU has three separate customs unions or partial unions with the three countries mentioned above. Two of the customs unions are hybrid arrangements, with the customs union for Turkey excluding agricultural, steel and coal products. The other hybrid arrangement is with Andorra, where the EU Customs Union's range is limited to only industrial products and processed agricultural products. Moreover, the customs agreement between the EU and San Marino is more extensive, however it excludes coal and steel.

The EU guarantees the free movement of persons, which the union considers to be a fundamental right, with the Schengen cooperation improving this free movement by allowing the citizens to cross internal borders without being subjected to border checks, meaning free travel without identification. In addition, the citizens are allowed to travel, work and live in another member state without special formalities. The Schengen Area

---

<sup>1</sup> Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom (Sherlock & Reuvid 2008 pp. 256)

<sup>2</sup> Iceland, Liechtenstein, Norway (ibid)

comprises of 22<sup>3</sup> of the 28 EU Member States, excluding Bulgaria, Croatia, Cyprus, Ireland, Romania and the United Kingdom. In addition, non-EU states that have joined the Schengen Area are Iceland, Norway, Switzerland and Liechtenstein.

## 2.1 The EU's Customs Union and the Single Market

According to HM Government (2018a), the EU Single Market comprises of a larger area and it provides the free movement of goods in addition to the free movement of services, people and capital. European countries outside of the EU, which are Iceland, Liechtenstein, Norway and Switzerland, are a part of the EU Single Market, however they are not members of the EU's Customs Union. Iceland, Norway and Liechtenstein are a part of the Single Market through their membership of the EEA, which gives them the ability to set their own external tariffs and negotiate free trade deals with third countries. However, they must accept the EU's free movement of goods, capital, people and services. According to European Free Trade Association (EFTA n.d.), although Iceland, Norway and Liechtenstein are members of the EEA, it does not exclude them from the need for border checks between the EU and a non-EU EEA member state completely, as special provisions are required, for example, for agricultural and fisheries products.

## 2.2 The transportation sector

The transport and logistics sector is diverse and extensive, and it is a large part of the British economy. Although some companies only conduct business only within Britain, all parts are in some way impacted by the UK's membership of the EU. The majority is due to the movement around the EU, which are shipping, airlines and trucking, in addition to regulations and standards that the EU has implemented (such as laws on seatbelts, speeding regulations, working hours etc.) (CoffinMew 2016).

While Britain is still a part of the EU, it has access to the European Common Aviation Area (ECAA), which gives the member states of the EU access for air transport across

---

<sup>3</sup> Austria, Belgium, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland (European Commission 2019)

the EU in the single aviation market. This gives an EU member state registered airline a base in a member state and operate on a 'cabotage'<sup>4</sup> basis within other EU Member States. As an example, EasyJet, which is registered in the UK, is allowed to fly without restrictions from the UK to other EU member states within the EU Single Market, in addition within an EU member country itself, such as domestic Italy (Butcher 2018).

### 3 Brexit

Mueller (2019) states that Brexit is the United Kingdom leaving the European Union, ultimately changing the relationship on the block trade<sup>5</sup>, security and migration. As mentioned before in chapter 1.1, Europe is Britain's most important export market, in addition to it being the largest source of foreign investment. Therefore, being on the block has aided London to solidify its position as a global financial center. On June 23, 2016 a referendum was held, in which Britons voted for to leave the EU by 52 percent to 48 percent. It is argued that the referendum was sparked by a refugee crisis, making free movement of immigration a subject of political debate across Europe, in addition to the steady decrease of import to the EU. Ultimately Brexit is divided into two possible outcomes; a deal with a Withdrawal Agreement or a no-deal scenario (Sandhu 2019). Nevertheless, both the UK government and the EU governing bodies prefer Britain to exit with a deal and a more gradual departing process (Di Lieto 2019).

The first date for Brexit to come into effect was March 29, 2019, with a 21-month transition period. During this period the UK will still have most aspects of being a member state, including free movement across borders and being a member of the EU Customs Union and Single Market. The transition period is set to provide time to administrations, businesses and citizens to adapt to the changes. Moreover, the UK will no longer have a vote in the EU and can no longer participate in the decision-making process (Di Lieto 2019). However, as of April 12, 2019, it is still unclear when Brexit will take place. The British Government has continuously requested for more time, as the government cannot agree upon the divorce settlement. Britain is hoping to approve its divorce deal before

---

<sup>4</sup> trade or transport in coastal waters or airspace or between two points within a country (Mirriam-Webster n.d.)

<sup>5</sup> Such as Preferential Trade Area (PTA), Free Trade Area (FTA), Customs Union, Common Market (Economics Online n.d.)

May 23, 2019 in order to avoid holding elections to the European Parliament that day. Moreover, if the UK does not participate in the European Parliament elections on May 23, Brexit will step into place on June 1, 2019 (Blitz, Brunsden & Hughes 2019).

### 3.1 No-deal Brexit

If a divorce settlement cannot be agreed upon, Britain will leave the EU without a Withdrawal Agreement. Ultimately there are two possibilities why a no-deal scenario would step into place:

1. “The Withdrawal Agreement is not approved by the Westminster Parliament (or the European Parliament)” (Hayward et al. 2018).
2. “The Withdrawal Agreement is successfully concluded, and a transition period is entered into which expires on 31 December 2020. However, at the end of the transition period (and any extension) no free trade agreement is concluded between the EU and the UK” (ibid).

This automatically means that trade will continue under World Trade Organisation (WTO) rules, therefore, the UK will be treated as a third country<sup>6</sup>, whereas Finland remains a member state to the EU (Sandhu 2019). The WTO rules administer all trading between the UK and the EU, which includes the EU Single Market and Customs Union, in addition to any other free trade agreements or even “no deal”. Agreements are able to go beyond the WTO rules in some areas, but not in all. Nevertheless, the rules continue being the foundation for any agreements. The WTO terms, however, mean specific conditions that states have agreed with the WTO, such as individual promises on tariffs, agricultural subsidies or “opening up of server markets”. The WTO terms are much slimmer compared to WTO rules (Hayward et al. 2018).

The WTO terms are used in default positing while conducting trade, however no country actually heeds to it. Although WTO has lowered the trade barriers, states seek for even less resistance regarding trade. All of the WTO member countries have made tariff-free

---

<sup>6</sup> A state that is not a member of the European Union (European Commission 2018b)

arrangements for developing countries, in addition to better access to at least one single market through free trade agreements. The UK has free trade agreements in many countries through its membership of the EU. A no-deal Brexit would provoke the British Government to consider if it should sort out existing agreements first and then discuss new agreements with the same countries. This would be a faster route, since the other option would be to negotiate entirely new agreements, which will ultimately take longer. The EU has free trade agreements in place with 35 countries<sup>7</sup> (Hayward et al. 2018).

With a no-deal Brexit outcome the UK will lose the trade benefits if it cannot agree upon the new terms of trade with its trading countries. Moreover, negotiating new trade agreements is quite complicated. In principle countries state that they want to reach an agreement, however details are important regarding the deals and may not guarantee a successful agreement. Many of these details in the EU agreements refer to or recognise EU rules, regulations, standards, institutions and legal procedures for goods, services or intellectual property. The UK would have to convert these references into the UK equivalent and if the UK wants to deviate from the EU arrangements, which indeed was one of the purposes of Brexit, the arrangements would have to ultimately be renegotiated (Hayward et al. 2018).

### 3.2 Areas that could be affected

As the analysis of the thesis will focus on the trade of vehicles and paper products beginning from chapter six, several other significant areas will be impacted under a no-deal scenario. This section will shortly discuss and identify the most important and possibly noticeable changes regarding the movement of goods and the rights for citizens living in the UK and the EU as Brexit steps into place.

#### 3.2.1 Free movement of goods

The EU encourages trade for businesses within the EU borders as there are no customs duties when crossing the borders of an EU member country, therefore most shipments dispatched, or exported, to other EU Member States do not require additional customs

---

<sup>7</sup> For more information on the EU's free trade agreements: <https://www.un.org/development/desa/dpad/our-work/committee-for-development-policy.html>

documentation. However, there are exceptions, such as export licensing controls (military goods) and goods classified as excise products (alcohol, tobacco). Value Added Tax (VAT) does not apply when the goods are imported to a VAT-registered business within the EU. This also applies to goods that have been released for free circulation after import duties have been applied onto the goods. Nevertheless, businesses are required to raise VAT invoices, which show the SAT Registration Number of the customers and attain evidence of shipment (Gov.uk 2016).

The European Parliament (2018b) states that “the right to free movement of goods originating in Member States, and of goods from third countries which are in free circulation in the Member States, is one of the fundamental principles of the Treaty (Article 28 TFEU)”. The free movement of goods is applied through the removal of customs duties and quantitative restrictions (such as quotas) and other measures that have the corresponding effect. In order to complete the internal market of the EU, mutual recognition, the removal of physical and technical barriers and the preferment on standardisation are implemented. Moreover, the creation of the EU Single Market was necessary in order to abolish obstacles of the free movement of goods. Nevertheless, the Single Market still requires extensive reforms if it is to meet the challenges of technological progress, as it is the key aspect in improving the EU’s competitiveness in the global markets.

### 3.2.2 The free movement of labour

According to Eurostat data, 15,3 million (3 percent of EU citizens) people resided in an EU Member State other than the country they were a citizen of (European Parliament 2018a). As for migration, the UK would be free to set its own controls on immigration for EU nationals after Brexit. In reverse, the EU can impose the same on Britons within the European Union. The fate of the expats is unclear, as their rights to live, work and practise their professions as they might no longer be recognised (Sandhu 2019). According to Hayward et al. (2018), the issue of movement of people are quite limited for WTO. Regarding those who move abroad to consume services (for example tourists) or those who move abroad to provide services (such as workforce) are covered by Modes 2 and 4 of General Agreement on Trade in Services (GATS):

- Mode 2: As in trade with goods, the mode itself crosses the border. As an example, an architect in a UK business who sends building plans to a client abroad. This is called a “consumption abroad” (World Trade Organization, n.d., b).

- Mode 4: A person crosses a border in order to provide a service. As an example, British football players playing in Madrid or independent professionals. This mode is called a “presence of natural persons” (World Trade Organization, n.d., a).

Regarding immigrants, World Trade Organization (n.d., c) states in an annex:

“The Agreement shall not apply to measures affecting natural persons seeking access to the employment market of a Member, nor shall it apply to measures regarding citizenship, residence or employment on a permanent basis.”

This ultimately indicates that permanent employees are not covered by the GATS and therefore fall outside the scope of WTO law. The EU law defines these permanent employees as ‘dependent workers’ and as far as the EU is concerned, it has not made GATS agreements on self-employed workers. Furthermore, the status of key personnel, intra-corporate transferees and business visitors are within the EU GATS arrangement, but only in the country where the business is providing services, not making goods. The movement of a person to reside on non-economic grounds is also not covered by GATS. Although GATS have some influence on recognising qualifications, family reunions and social security issues, they also fall outside its scope (Hayward et al. 2018).

Regarding the national immigration law, the GATS annex also states:

“The Agreement shall not prevent a Member from applying measures to regulate the entry of natural persons into, or their temporary stay in, its territory, including those measures necessary to protect the integrity of, and to ensure the orderly movement of natural persons across, its borders, provided that such measures are not applied in such a manner as to nullify or impair the benefits accruing to any Member under the terms of a specific commitment.” (World Trade Organization (n.d., c).

Regardless of the scope of the GATS national immigration laws apply on entry and stay, which includes visas and border controls, are left to the member states’ own laws. In that case, the EU or the member state and the UK to decide how border crossings are regulated and whether visas and work permits are to be implemented. As GATS and WTO have no specific rules or terms on the movement of people, this gives the UK freedom to impose whatever restrictions or controls in terms of visas or other documents. For businesses and individuals wishing to move into the UK, this is not favourable (Hayward et al. 2018).

According to the European Parliament (2018a), “freedom of movement for workers is one of the founding principles of the EU” and is a fundamental right of the workforce. The right of free movement for the workforce provides the choice for businesses to hire professionals from other EU Member States without having to, for example, apply for work permits as mentioned above. One of the strengths of the EU is its highly educated and competent workforce, which ultimately is used by both Finnish and UK businesses (Elinkeinoelämän keskusliitto n.d.).

For instance, the European Commission (2018a) states that currently the automotive sector in Europe is experiencing quantitative and qualitative shortages in suitable workforce due to fast evolving technological changes, aging workforce and diverging approaches in national education systems. It has become crucial on investing up- and re-skilling of workers in addition to work-based learning, which will be vital. In case of a no-deal Brexit, it may be harder to find workers with specific skill sets, if there are more capable and educated workers across the border and if the UK chooses to implement work visas and additional documents for workers, this might discourage businesses or even harm their business. Moreover, it is easier for businesses to expand their business abroad, especially when providing services, as no additional permits are needed in order to install a product manufactured by the business. In addition, the business itself will not have to apply for a work permit (Elinkeinoelämän keskusliitto n.d.).

### 3.2.3 Transport

According to Morris (2019), in the event of no-deal Brexit, a statement was issued by the Cabinet Office last month stating that “cross-government planning assumptions have been revised to show that, in worst-case scenario, “there will be significantly reduced access across the short strait [between Dover and Calais] for up to six months””. Dover is the biggest destination in the country for roll-on roll-off ferries, meaning that goods are driven on and off the ferries rather than lifted by cranes. In addition, it is the main access route for trade with the rest of the EU inside its single market. Moreover, Dover handles 2,9 million units in the year 2018, however due to possibility of the significantly reduced access between Dover and Calais will hinder the movement of goods, thus impacting overall trade in the process.

If the goods were to come through Dover into the UK from outside the EU, customs clearance takes about an hour to be completed, which crucially depends on the customs clearance and other documents to be submitted 2 to 3 days before the shipment reaches

Southampton (Morris 2019). According to Traficom (2019), if the parties cannot agree on the Brexit divorce deal, the road goods traffic between the UK and the EU borders will be put under a temporary arrangement by which bilateral transport would be conducted by until the end of 2019, which is based on current EU regulations. However, this agreement until the end of 2019 does not permit cabotage or bilateral agreements between the UK and EU countries.

In addition, the professional competence certificates that have been issued by a UK training center or a training center approved by a UK based organisation, will not be valid any longer in other EU Member States. According to the EU regulations, competence training must be provided by the employing company that is located in an EU country. Moreover, after the transition period ends, traffic licences issued by the UK will also not be valid in EU countries (Traficom 2019).

Air transport will be largely impacted, as the EU regulations will immediately cease to apply to the UK in case of a no-deal Brexit. Moreover, the objective is to certify direct flight connections between the UK and the EU, regardless the withdrawal without an agreement. The European Commission has issued legislative proposals regarding the continuance of air traffic, which would unilaterally allow flights across borders for one year, provided that the UK accept the proposal (Liikenne- ja viestintäministeriö 2019).

#### 3.2.4 Credit interest

Regarding the short-term impact of Brexit, the growing uncertainty impacts the decision making for firms negatively, in addition to the business' credit interest is presumed to become more expensive due to the rise of risks. It is also assumed that the credit rating for the UK will be impacted negatively and will lower the country's position in the rating. The currency of the UK, the pound, was devalued over 10 percent after the exit vote, which in turn supports export and import from Finland, while the discussions are still ongoing (Lehmus & Suni 2016 [and] Allen 2019). The current credit rating of the UK is AA according to Fitch Ratings<sup>8</sup>, and the credit ratings company has put the UK on what is known a Rating Watch Negative (RWN), in order to actively monitor the UK's credit

---

<sup>8</sup> "Fitch Group is a global leader in financial information services with operations in more than 30 countries" (Fitch Ratings n.d.). For more information: <https://www.fitchratings.com/site/home>

rating with the possibility of lowering it. In the event of a no-deal Brexit, the UK will face a 2 percent decline in GDP over 18 months, which would be similar to the recession in the 1990s (Allen 2019 [and] Martin 2019).

#### 4 Overall trade between Finland and the UK

	Import			Export	
	€ million	%		€ million	%
Germany	9 647	15,4	Germany	8 477	14,2
Russia	8 252	13,2	Sweden	6 148	10,3
Sweden	6 877	11,0	The Netherlands	4 126	6,9
China	4 612	7,4	The United States	4 066	6,8
The Netherlands	3 510	5,6	Russia	3 419	5,7
France	2 333	3,7	China	3 398	5,7
The United States	1 956	3,1	The United Kingdom	2 687	4,5
The United Kingdom	1 835	2,9	Belgium	1 970	3,3
Poland	1 832	2,9	France	1 824	3,1
Estonia	1 828	2,9	Estonia	1 799	3,0
Other countries	19 786	31,9	Other countries	21 798	36,5
<b>Total</b>	<b>62 469</b>	<b>100</b>	<b>Total</b>	<b>59 711</b>	<b>100</b>

Figure 1. The biggest import and export countries of Finland in 2017 (Statistics Finland 2019)

The UK is Finland's seventh biggest export trading partner in 2017 (see figure 1) (Statistics Finland 2019). According to a joint statement by Tulli & Tilastokeskus (2018), the balance of payments indicates that the import of goods and services to the UK is nearly as significant as import to Russia and China, although import to Russia has decreased and in return has increased in China.

According to Tulli (2018), export from Finland to the UK was approximately a little over EUR 1,8 billion in 2018. During the previous years, the amount of export decreased in 2016 by 10 percent, however, it increased by 8 percent in 2017. The share of export from Finland to the UK was 4,4 percent between January and August, which was a minor

decline from 4,5 percent during the previous year. Moreover, the overall export from Finland has been in a steady decline from the year 2014, when the share of export to the UK was 5,4 percent.

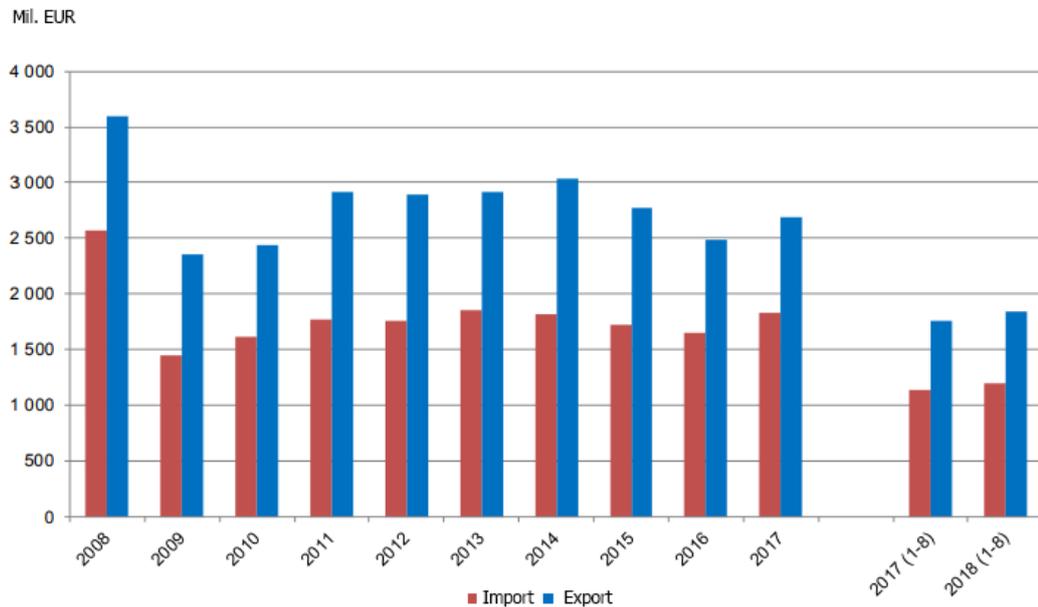


Figure 2. Trade between Finland and the UK in 2008-2018 (Tulli 2018)

Traditionally trade between Finland and the UK has amounted to a surplus, with the UK being the second largest country with trade resulting in a surplus after the USA. In 2018 the trade surplus was EUR 646 million between January and August, whereas in 2017 it was EUR 616 million from the same time period. The amount of surplus from trade between the two countries was at its highest in 2014 with a surplus of EUR 1,2 billion (Tulli 2018). Although trade in general amounts to a surplus, the balance of service is deficient, as services are brought from the UK more than Finland provides to the UK (Tulli & Tiilastokeskus 2018, pp. 12).

In 2018, import from the UK grew 11 percent from the previous year compared to the decrease of 4 percent in 2016. The share of import to Finland from the UK declined slightly from 2,6 percent in 2017 to 2,7 percent in 2018 (Tulli 2018). Moreover, the UK is Finland's eighth biggest import partner in 2017 (see figure 1).

## 5 Current trade patterns between the UK and Finland

### 5.1 Export to the UK from Finland

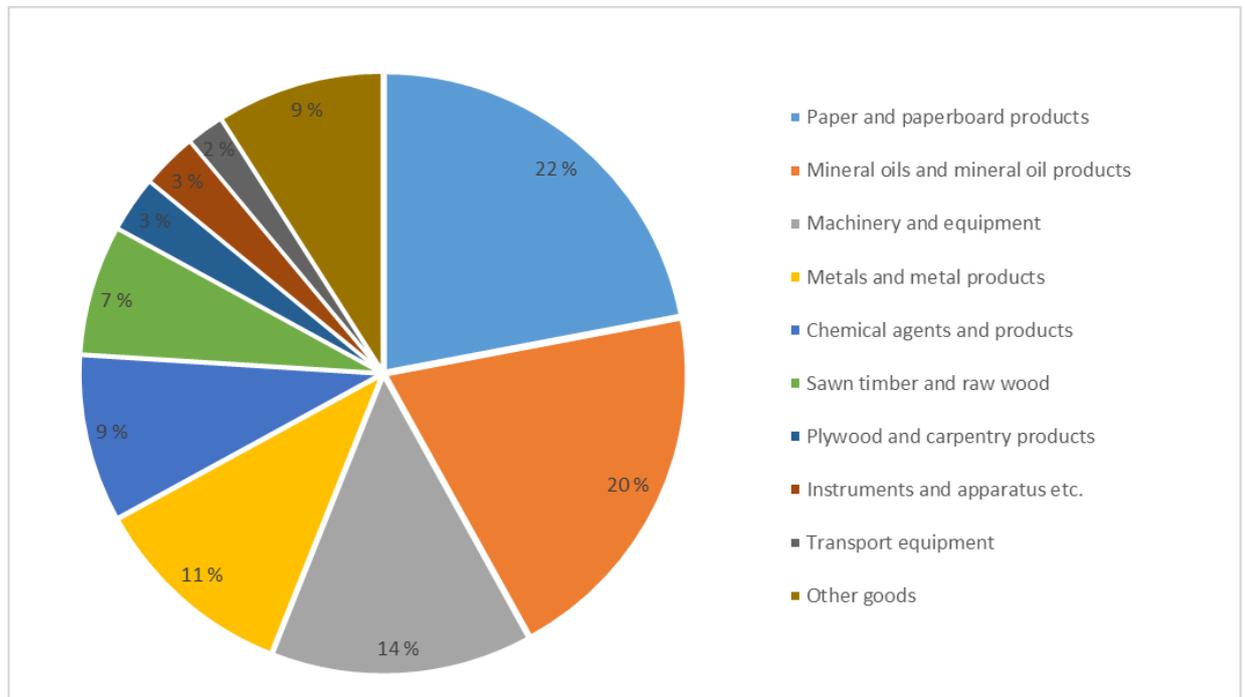


Figure 3. Finnish exports to Britain in 2017 (Ministry of Foreign Affairs of Finland n.d. a)

The majority of Finland's exports to the UK consist of paper products<sup>9</sup> in addition to mineral oils and mineral products (see figure 3). The export of paper products has declined since the year 2007 by one percent, whereas the export of mineral oils and products have increased significantly by approximately 17 percent. Other significant exports to Britain were machinery and equipment, metals and metal products. The trade between Finland and Britain amounted to a surplus particularly regarding the paper industry and oil refinement (Kaarna et al. 2018).

The import of the lumber industry as a whole to the UK from Finland has changed from EUR 595 million in 2017 to EUR 646 million in 2018, making an 8,6 percent increase in

<sup>9</sup> The paper product category consists of paper, paper products (such as wallpaper, wrapping paper) and cardboard products. These are categorised as one because the manufacturing includes same the processes (Tilastokeskus n.d.).

imports. In addition, the share of paper and paperboard products in 2017 were EUR 393 million and increased to EUR 425 million in 2018. The increase of imports amounted to 8,1 percent. In 2017, the UK was the third largest import country of paper and paperboard products with a revenue of EUR 888 million, which was 7,4 percent of overall imports. The total share of the lumber industry of Finland's imports to the UK in 2018 was 53,1 percent (Olkku 2019).

## 5.2 Import from the UK to Finland

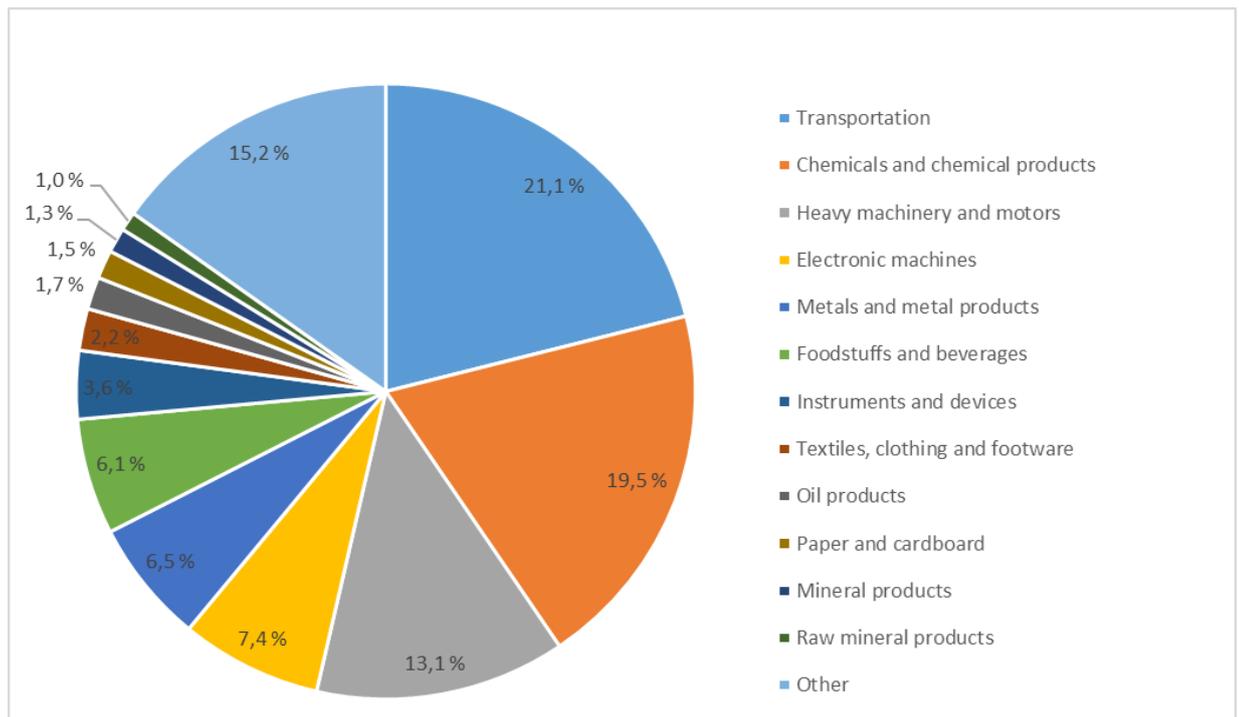


Figure 4. Import from Britain to Finland by product category (Tulli 2017a)

The import from the UK to Finland consists mostly of heavy machinery and motors, transportation products (such as vehicles<sup>10</sup>) and medical drugs, which are shown as chemicals and chemical products in the figure 4 above. The import of the goods has consistently increased, whereas the import of vehicles has slightly decreased in the past ten years (Kaarna et al. 2018). In 2017, the import of transportation products decreased by

<sup>10</sup> Transportation products include tractors, two wheeled vehicles (such as motorbikes), motor vehicles with capacity over 10 persons and passenger vehicles, excluding railroad transportation (Tulli 2017b)

7 percent to EUR 270 million, from which the share for vehicles was EUR 213 million. The total amount of vehicles imported from the UK to Finland was approximately 12 000, whereas the year before in 2016 it was 15 000 vehicles. However, the UK is still the second most significant vehicle importer to Finland after Germany (Tulli & Tilastokeskus 2018).

The automotive industry itself is an essential part of Europe's prosperity, as it provides jobs for 12 million people and it accounts for 4 percent of the EU's GDP. The EU is one of the largest producers of motor vehicles, in addition to its sector representing the largest private investor in research and development (R&D). The EU supports global technological harmonisation by providing funding for R&D, in addition to strengthening the competitiveness of the EU automotive industry and to preserve its global technical leadership. The automotive industry links several sectors together and works as an important multiplier effect in the EU economy. These sectors include steel, chemicals and textiles, as well as services such as ICT, repair and mobility services. Furthermore, as mentioned above, the EU automotive sector employs over 12 million people, with manufacturing accounting for 3 million jobs, sales and maintenance for 4,3 million and transport for 4,8 million (European Commission n.d. b).

## **6 Most important factors for trade before Brexit**

### **6.1 General EU rules and requirements for goods**

Goods entering from outside the EU cross a common Customs frontier, which indicates that the same tariff controls should be applied regardless of which member state they enter, meaning that the duty rates are identical in every EU Member State. Although main customs principles are regulated at EU level, the EU member states have the responsibility to implement the rules (Sherlock & Reuvid 2008 pp. 255 [and] HKTDC Research 2018). There are several factors which trade goods are subjected to, however most important factors will be focused upon in the next subtitles.

#### **6.1.1 Product standardising**

Product standardising according to quality and safety of products are set upon goods within the free circulation of the EU Member States in order to build consumer confidence. As an example, tools and equipment that are tested according to the standards

give better protection for professionals, such as hospital staff. The standards are also made to help protect the environment and consumers' health by, for example, by providing measuring methods and controlling air pollution. In addition, food hygiene standards provide test methods and classification for materials that are in contact with food. Due to standardising, interoperability is avoided between products, as standardising also advises upon sizing, which for instance, ensures the safety of trains on tracks. Product standardising also gives better access to markets, since standardising allows products to become more compatible and comparable (Your Europe, European Union 2019).

Regarding motor vehicles, technical harmonisation in the EU is crucial, as it allows car manufacturers access to the EU Single Market. The harmonisation is based on the Whole Vehicle Type-Approval System (EU WVTA), in addition to the United Nations Economic Commission for Europe (UNECE) which in turn grants access to global markets. The EU WVTA ensures certification for a vehicle type in one EU Member State and market it within the EU without having to apply further tests. It is up to the European Commission to apply the EU legislation for motor vehicles by providing rules for safety, environmental protection and certain conditions which enable the vehicles to be put on the EU market (European Commission n.d. c).

While no EU-wide requirements exist, different requirements might apply in different EU countries. If this is applicable, the product must comply with the rules valid in the specific country. Moreover, other countries cannot prevent the sale of the product, or encourage its modification or conduct additional testing, on the condition that it is possible to prove that the products meet all the technical and quality requirements in the said country or offer an equivalent level of safety. This is called the principle of mutual recognition. Such national rules might refer to the size or dimensions, weight, composition, labelling, packaging or testing of the product (European Union 2019b).

### 6.1.2 Labelling

In addition to product standardising, Finland also requires specific labelling and marketing that are based on the Act on Product Safety, which in turn was endorsed according to the EU directive on general product safety. Moreover, the CE<sup>11</sup> marking is mandatory

---

<sup>11</sup> According to export.gov (2018a)

across the EEA (export.gov 2018). The CE mark is a part of the EU's harmonisation legislation (European Commission n.d. d). According to HKTDC Research (2018), there is no EU law that requires origin marks to be put on common consumer goods that are non-edible. However, if such marks are applied, they must be accurate.

### 6.1.3 VAT

VAT is not subjected to goods within the EU between VAT-registered businesses. This also applies to goods that are imported into the EU after import duties have been paid, therefore they are released for free circulation within the EU borders. Moreover, if the goods are sold to a company that is not VAT-registered, VAT is normally charged. Customs declarations are largely not applied for goods once they have been released for free circulation, however traders must include the VAT Registration Number of their customers in addition to obtaining evidence of the shipment (Nibusinessinfo.co.uk n.d. a).

## 6.2 National law

According to the Treaty of Lisbon (2007/C 306/01) Part B, Article 2 A, when the Treaties confer on the Union exclusive competence in a specific area, only the Union may legislate and adopt legally binding acts, the Member States being able to do so themselves only if so empowered by the Union or for the implementation of Union acts.

Under the same Part B, Article 2 B, the treaty states that the European Union shall have exclusive competence in the following areas:

- a) Customs union
- b) The establishing on competition rules necessary for the functioning on the internal market

---

); "CE marking is the manufacturer's declaration that the product meets the requirements of relevant directives. [Such as high safety, health, and environmental protection requirements (European Commission n.d., d).] A CE marking should be attached to certain goods falling under these categories like machinery, electric appliances, toys, personal protective equipment, and pressure equipment."

- c) Monetary policy for Member States whose currency is the euro
- d) the conservation of marine biological resources under the common fisheries policy
- e) common commercial policy

The Union shall also have exclusive competence for the conclusion of an international agreement when its conclusion is provided for in a legislative act of the Union, or is necessary to enable the Union to exercise its internal competence, or insofar as its conclusion may affect common rules or alter their scope. As both the UK and Finland are part of the EU's Customs Union, the EU issues regulations relating to it.

National law is mostly applied to restrict the import of certain goods. The UK restricts import of some goods with an import licence, such as firearms, diamonds or military goods. However, generally an import licence is not needed (Gov.uk 2017). Finland restricts the import of dual-use items and dual-use technology, in addition to firearms and other military goods (The Ministry of Foreign Affairs n.d. b).

## **7 Trade changes after Brexit**

As a no-deal Brexit steps into place, the UK will become a third country to the EU and is therefore subjected to additional bureaucracy when goods are to cross state borders, such as documentation and general Rules of origin, in addition to the general EU rules mentioned previously in chapter 6.1. The trade changes below are applied to vehicle imports to Finland.

### **7.1 Requirements for import to Finland**

#### **7.1.1 Documentation**

According to Export.gov (2018b), the following documents must be presented when the goods enter Finland from a third country:

- A customs declaration form, which is endorsed by the National Board of Customs in Finland

- A statement of value for imports that exceed the value of EUR 5045,64
- A copy of the commercial invoice

The Single Administrative Document (SAD) is the official model for customs declarations, as the document describes the goods and its movement around the world, in addition to it being essential for trade outside the EU or trade of non-goods. All goods are subject to customs duties as they enter the EU Customs territory and they are covered by the Summary Declaration once the goods have been presented to the customs officials. The declaration is to be filed by the person who has brought the goods into the customs territory, or any person who is assumed to be responsible for the carriage of the goods. The SAD serves as the EU importer's declaration and it compasses both customs duties and VAT, in addition to it being valid in all EU Member States.

Vehicle import businesses also require an Economic Operator Registration and Identification (EORI), which is an EU wide system for the registration and identification of trade businesses. Most Customs declarations in the EU require an EORI number and it is required, as an example for import and export declarations, "Arrival at Exit" notifications and exit notifications. Moreover, any transport operators must also be registered for EU EORI (Tulli n.d. e).

#### 7.1.2 General Rules of origin

The Rules of origin states that goods that are solely produced or manufactured in a single country will be regarded as having its origin in said country. If the production requires more than one country, the origin country is determined by where the product underwent its last substantial processing. It is required that the product is verified to have come from the originating country and arriving in the EU without the manipulation of another country, not including required product maintenance in order to keep the product in good conditions. As vehicle parts are often manufactured in various countries, the country of origin is to be the state in which it had the last substantial processing. Verified specific conditions on maintenance and documentation is needed in order to demonstrate the rules of origin has been fulfilled. The country of origin is mandatory information in the customs declarations (European Commission, n.d. d [and] Tulli, n.d. b).

### 7.1.3 Import VAT

According to Tulli (n.d. a), the Value Added Tax Act states that the declarant (in most cases the client) is liable to pay tax when importing goods. VAT is due on the importation of goods that takes place in Finland, if the goods are in Finland when they arrive into the EU, which is the main aspect of importing goods from outside the customs territory and the fiscal territory of the EU, like import directly from China to Finland, for instance. The goods are considered to be imported into Finland, and therefore the EU, if the product is for instance, temporarily stored. The standard VAT rate in Finland is 24 percent. According to the European Commission (n.d. f), tariffs from third countries into EU Customs Union for vehicles is 10 percent. This will affect the automotive trade negatively, whereas under the EU regulations no additional taxes would be implemented (Sandhu 2019).

### 7.2 Export declaration for goods leaving Finland

In the export declaration, an additional document is required in order to show the value of the goods. This document can be an invoice or a proforma invoice, which is to be offered in connection with the export clearance. Other additional documentation may additionally be required, depending on the regulations concerning the export procedure (Tulli n.d. d). Moreover, in order for Finnish businesses to import goods from Finland, an export declaration must be submitted to Customs prior to dispatching the goods if the goods are carried by a transport operator. In the case of direct export, the offices of departure and exit are located in the same EU Member State, which in this case is Finland. The exporter or representative must send the declaration electronically to Finnish Customs well before the departure of the goods. If the goods receive acceptance of departure, the goods will be released with the export accompanying document (EAD), which contains the movement reference number (MRN) that specifies the declaration in the customs authorities' data systems (Tulli n.d. c).

At the place of exit (such as harbor, airport or railroad cargo terminal), the MRN of the EAD must be presented to the operator, which in return will submit the "Arrival at Exit" notice to Customs. Once the notice has been responded to by Customs, it becomes a loading permit. The operator who submits the "Arrival at Exit" notification must provide the MRNs declared with the prior declaration to the operator, which is responsible for loading the goods to the means of transport used for the exit. The loading operator provides the reference numbers for the exit manifestation and gives the exit notification to Customs. The exit notification confirms that the loaded goods have been taken out of the

EU. In addition, the exporter automatically receives a decision on release upon the exit and may use it to prove that the exported goods are exempt from VAT in the country of import (Tulli n.d. c). VAT is charged only at importation, whereas exports are exempt from destination countries outside the EU (European Commission 2018b, pp. 3).

However, if the goods are exported out of Finland indirectly, for instance when the goods exit through another EU Member State, the Customs process remains the same with the exception of the exit member state confirming the exit, opposing to the country export procedures first began in. Moreover, the Finnish Customs is notified that the goods have exited the EU (Tulli n.d. c).

### 7.3 Requirements for UK import

When importing goods to the UK after a no-deal Brexit, the UK businesses will have to apply customs, excise and VAT procedures to goods that are traded with the EU as trade will fall under the rules-based trading system of WTO (Jozepa 2019). This section will focus on the import of paper products from Finland as a member of the EU to the UK, which is after a no-deal Brexit considered to be a third country and will be conducting trade under WTO rules.

According to Hayward et al (2018), there is ultimately one key principle under the WTO law, which is non-discrimination, which in turn takes two forms:

1. The most-favoured nation (MFN) principle
2. National treatment

The first form in practice means that the most-favoured country cannot treat the countries they are in trade with differently, therefore all WTO Member States must be granted the same favour. However, the WTO agreements allow two exceptions: preferences in favour of developing countries and the countries that have free trade agreements agreed upon. States are allowed to show preferential treatment to goods imported from developing countries, in addition to the EU's "Everything But Arms" scheme, where the EU allows full duty-free and quota-free access to the EU Single Market for all goods "from countries listed as Least Developed Countries by the UN Committee for Development

Policy<sup>12</sup>” (Hayward et al. 2018). The second form, national treatment, states that once the goods or services have crossed the border to a WTO Member State, it must be treated similarly as national goods or services, if nothing further stated (ibid).

### 7.3.1 Tariffs

According to Valpola (2019) and BBC (2019), in case of a no-deal divorce from the EU, “under a temporary scheme 87% of imports by value would be eligible for zero-tariff access”, whereas presently 80 percent of imports are tariff free. As currently there are no customs duties within the EU, which indicates that the change would amount to 82 percent of imports being tariff free from the 100 percent while being a member state of the EU. Under the WTO rules the tariff for paper products would be 2,8 percent, however the UK government has stated that will be no additional tariffs applied to paper products in case of a no-deal scenario.

### 7.3.2 Rules of origin

According to World Trade Organization (n.d. d), the non-preferential Rules of origin apply when there is no trade preference in place, and it must be conducted in the MFN basis. However, GATT has no specific rules governing the determination of the country of origin regarding international commerce and states the following:

“...within the province of each importing country to determine, in accordance with the provisions of its law, for the purpose of applying the most-favoured-nation provisions (and for other GATT purposes), whether goods do in fact originate in a particular country” (World Trade Organization n.d. d)

Therefore, it is ultimately up to the UK government to decide on Rules of origin as it is not required from import products and thus will not impact negatively on the import on paper products.

---

<sup>12</sup> For more information: <https://www.un.org/development/desa/dpad/our-work/committee-for-development-policy.html>

## 7.4 Export changes for UK businesses

Similarly to import to Finland, UK businesses will require a UK EORI number, as the previous EORI number under the EU becomes invalid after Brexit. Some businesses may need a license or follow special rules to export restricted goods, such as some agricultural products and military products. Moreover, the need for an import license for the goods may be the nature of the goods, the destination for the goods, the ultimate end use of the goods or the ability to license trade activities (HM Government 2018b [and] European Commission n.d. h).

UK businesses additionally need to seek the commodity code in order to classify the goods in order to fill in export declarations. It is important to know which country the goods will end up in, as the destination country and the commodity code combined will determine whether import duty applies. A customs procedure code (CPC) must be obtained to identify customs and excise rules in order to determine where the goods are entering and where are they removed from (HM Government 2018b).

### 7.4.1 Documentation required

A commercial invoice (in addition to an export license, if needed) will need to accompany the goods to the port of exit. The arrival of the goods must be notified to the UK Customs at the border. Whether the goods must be presented to Customs is dependent on the manner of how the goods will be transported. The Customs Handling of Import and Export Freight (CHIEF) will then determine whether the goods have permission to exit or if they need additional information. Then the authorized loader will send a notification confirming that the goods have arrived at the border. Once the goods have been loaded onto the transport and the goods have physically exited the UK, a final departure notification must be sent to CHIEF. The last notification confirming the exit can only be done by the person who had loaded the goods onto the transport (HM Government 2018b [and] DFDS n.d.).

## 7.5 Import changes for UK businesses

Importing goods to the UK is similar to importing goods to Finland, as the UK government has issued its own additional rules in addition to the WTO rules. In order to import or export physical goods with countries outside the EU, UK businesses will need to apply for a new EORI number, as the EORI numbers will become void upon a no-deal Brexit.

The arriving goods must be declared at Customs within set time limits. An EORI number is required in order to complete an Entry Summary Declaration upon the arrival of the goods (Nibusiness.co.uk n.d. b). As the goods arrive at Customs, the duty must be paid if applicable, however, as an example, for paper products there are no additional duty fees. Import VAT of 20 percent will additionally be applied to the goods, however the UK government is currently applying changes to this aspect and business will be introduced to postponed accounting for import VAT. Moreover, the value of the goods must be determined before the goods arrive at UK Customs. The UK Customs requires the origin of the goods to be established, in addition to a SAD (Gov.uk 2019).

## 8 Comparative analysis

### 8.1 Checklist for analysis and most important factors to be considered

Finland IMPORT	EXPORT
<ul style="list-style-type: none"> <li>- documentation (customs declaration form, statement of value, copy of commercial invoice)</li> <li>- UK issued EORI number</li> <li>- country of origin stated</li> <li>- import VAT of 24 percent</li> <li>- customs duties of 10 percent for vehicles</li> </ul>	<ul style="list-style-type: none"> <li>- documents (export declaration, commercial invoice, EAD)</li> <li>- EU/UK EORI</li> <li>- commodity code</li> <li>- export license if needed</li> <li>- exempt from VAT</li> </ul>
UK IMPORT	EXPORT
<ul style="list-style-type: none"> <li>- country of origin</li> <li>- EU/UK EORI</li> <li>- commodity code</li> <li>- import license if needed</li> <li>- import VAT of 20 percent</li> <li>- no additional tariffs for paper products</li> </ul>	<ul style="list-style-type: none"> <li>- UK issued EORI</li> <li>- export license if needed</li> <li>- origin of goods</li> <li>- commodity code</li> <li>- commercial invoice</li> <li>- declare to customs</li> <li>- exempt from VAT</li> </ul>

Figure 5. Checklist for analysis

### 8.2 Analysis

It is abundantly clear that WTO rules are used as a base for trade, since the most important aspects of trade mentioned above are somewhat different and WTO rules often

refer to its member states to specify terms of trade through other or bilateral trade agreements, which is why the UK government has issued additional guidelines for import and export. For instance, vehicle import to Finland (and the EU) as a third country, the UK would have to provide additional customs documents, a statement of value, a commercial invoice and the customs declaration form, for the vehicles that are to be imported into Finland. In addition, SAD is required for import to Finland from third countries and the country of origin must be stated on the document. Moreover, for UK businesses to export goods from the UK require more, such as an EORI number, since the previous UK issued EORI numbers are no longer valid in the UK. Export licenses may be required, however this depends on the manner of the goods and therefore it is so far not applicable for vehicles. The country of origin must be stated, which is also relevant for the vehicles being allowed to be imported into Finland. Commodity codes and commercial invoices are required for UK exports and in order to import to Finland, commercial invoices are also mandatory. In addition, the goods will be declared at both the Finnish border and the UK border. The EU additionally requires product standardisation, in addition to Finland requiring specific labelling of its imported goods. For motor vehicles, the EU requires EU WVTA approval in order for businesses to access its automotive markets. Import VAT of 24 percent will be applied to vehicles imported from a third country to Finland in addition to the customs tariffs of 10 percent.

Regarding vehicles, the UK type approval authorities will no longer be convergent with the EU type approval authorities, which will have an impact on motor vehicles and the trailers and other systems, parts and separate technical units, in addition to raw materials, components, semi-finished and finished products. Once the UK type approval authorities are no longer valid, it will not be able to take care of the tasks, checks and extensions regarding the type approval as it has previously done. The products already placed in the market before the resignation date as certificated issued by the UK approval authorities are valid after the divorce. In addition, the registration of imported vehicles may overall change (Traficom 2019 [and] Ministry of Economic Affairs and Employment of Finland n.d.). The import of vehicles to Finland will be more noticeably impacted by Brexit due to raised customs tariffs of 10 percent, including the customs procedures at the border. The EU WVTA oversees the correct certification of vehicle types in the EU, which UK businesses would have to apply in order to have access in the EU automotive markets. In addition, product standardisation must continue to be applicable to the EU regulations.

In order for paper products to be allowed exit from the Finnish border, an export declaration must be made, and the value of the goods must be stated to Finnish Customs. Paper products will now be subjected to additional documents of origin when entering the UK. The country of origin must also be established for paper products, which are to be imported and allowed to cross the border into the UK. Additional import licenses are not needed for paper products from Finland or the UK. Import VAT of 20 percent will be applied to paper products upon import into the UK, however the UK government has stated that no additional tariffs will be implemented in UK Customs. This is preferred for Finnish businesses, as without the statement of the UK government, the customs tariffs would be 2,8 percent under WTO rules. Therefore, this is supposedly good news for the Finnish paper trade. Moreover, paper products are slightly less impacted by Brexit, as only VAT of 20 percent will be applied without additional tariffs at the UK border, in addition to the requirement of the country of origin. UK businesses will be slightly more impacted due to having to reapply for EU issued certificates and EORI numbers before being able to trade goods across the UK-EU border.

## 9 Conclusion

There will be several changes for export and import, which for Finnish and UK businesses can be seen with additional documentation and possible tariffs at the border. Moreover, changes for vehicle import to Finland will be more noticeable compared to paper products, as paper products will be exempt from additional tariffs when crossing the border to the UK. Import VAT for both countries will be applied at the border and for Finland, the VAT is 24 percent and to the UK it is 20 percent. Moreover, Customs tariff of 10 percent will be applied at the Finnish border for vehicles. Nevertheless, businesses from both countries will be subjected to more bureaucracy when conducting trade across the FIN-UK border. This may discourage import and export businesses, and Finnish paper businesses only trading within the EU Single Market will be impacted with a hard border.

### 9.1 Further discussion

#### 9.1.1 The Withdrawal Agreement

The Withdrawal Agreement is shortly put the divorce deal for Britain leaving the EU. The Prime Minister of Britain, Theresa May, delivered a draft of her vision for Britain in leaving

the EU in February 2017, which explained how Britain would leave the EU in UK's terms. May also stated that the UK will not be seeking a membership of the EU's Single Market, but it will pursue a new strategic partnership with the EU. In addition, it stated that the UK will pursue a new customs arrangement with the EU in order to secure new international trade arrangements with other countries individually or under the regulations that the EU has imposed its member countries (Di Lieto 2019).

For the city of London, Brexit is difficult even with a trade agreement, as it is the capital of Britain's financial center. It is reported that 5000 jobs would be lost, which would result in empty office spaces in addition to the office buildings being constructed. The UK companies would also lose the ability to bid on public contracts in any EU country, which are ultimately open to member countries. This would result as a considerable loss to the service sector, especially banking in London (Amadeo 2019).

If the UK were to not seek membership in the EU's Single Market, this would be a "hard" deal, whereas "soft" Brexit would involve the UK remaining in the European Single Market, or at least as a member of the EU Customs Union. According to Ross (2019), the UK Parliament cannot agree on a Withdrawal Agreement, nor does the Parliament accept a no-deal Brexit.

It may be more beneficial to the economy of the UK if it remained in the European Single Market, or at least as a member of the EU Customs Union. If the UK stayed as a part of the European Single Market, it would benefit the smaller businesses that only do business within the single market. The small and medium-sized enterprises (SMEs) present 99% of all businesses in the EU (European Commission n.d. g). Brexit will make trade between the UK and the EU businesses more challenging and may discourage trade altogether for SMEs. Moreover, remaining as a member in the EU Customs Union would enable businesses to have a more frictionless trade process without additional documentation and customs procedures at the border.

#### 9.1.2 The Rotterdam effect

It is argued that the importance of trade between the United Kingdom and the European Union is exaggerated due to the "Rotterdam effect". The UK does a large amount of trade with the Netherlands, a total of 13 percent exports of goods to the EU. It has been claimed that eventually some of the trade goods to the Netherlands are shipped to a third country, via Rotterdam. A large portion of goods would simply be unloaded from one ship

and reloaded onto another transport within a relatively short period. This would result as export within the EU, although the goods ultimately are bound to the third country, therefore the records would be exaggerated (Webb & Keep 2016).

The reason why the Rotterdam effect has recently increased interest is due to the Brexit debate about the importance of the UK trade with EU and non-EU countries. Often goods arriving from a third country into the UK via the EU will pass through Rotterdam. If this is recorded as a flow from the third country to the EU and then from the EU to the UK, the result would be in overvaluing EU trade with the UK, therefore undervaluing non-EU trade with the UK. Rotterdam effect distorts the outlook of a country's trade with the EU and non-EU countries. Regarding the oil trade, the UK in addition to other oil exporters, exporters ship large amounts of crude oil to the Netherlands in order to take advantage of the country's oil refining capacity. However, the refined oil eventually ends up in a large range of countries, some of which are not members of the EU (Webb & Keep 2016).

## 9.2 Recommendations

The manner of the UK leaving the EU, whether it being deal or no-deal, is of great significance, as the manner will determine how much change there will be. I believe that the impact on the movement of goods will be nevertheless noticeable in the EU, if not substantial in case of a no-deal Brexit. In addition, Brexit will impact on the UK economy significantly more than the EU, as the EU is the divorcé and is therefore able to manipulate the outcome in their favour. Moreover, the movement of goods into and from the UK is mainly by road, rail and air, and all will need new regulations as a no-deal Brexit steps into place. Negotiating some of these new regulations for transportation will take time and may cause chaos among transportation companies, customs points and state lines.

The Brexit divorce proceedings have been ongoing since 2017 and the UK leaving the EU has been delayed multiple times due to the UK Parliament not being able to agree on the divorce settlement. As this thesis was written, the depart date may be as far as October 2019. According to Reid (2019), prolonging the exit of the UK is harmful to the UK economy by underperforming since mid-2016 by losing nearly 1,5 percent of gross domestic product (GPD) when being compared to the central bank's expectations before the referendum. Moreover, both UK and EU businesses are facing uncertainty over what will ultimately change, whether the UK leaves without a deal or if it is able to negotiate a Withdrawal Agreement. This will take time, in addition to what new regulations can be

agreed upon for the goods as well in order to promote more frictionless trade. It is understood that the UK will want to protect its trade regarding the future and will negotiate more attractive trade deals with its significant trading partners, some being member states of the EU. However, Smyth (2019) states that the UK will struggle to make “the same high quality trade deals as the European Union due to its small size and the continuing uncertainty over Brexit”. Smyth continues by indicating that a third country would prefer to make a trade deal with the EU with a population on 500 million, opposed to one, smaller sized country with a population of 65 million.

Nevertheless, the Finnish Deputy Foreign Minister has stated that “We [Finland] want a deep partnership” (Hunt 2017) with the UK once it cuts ties with Brussels. This could possibly refer to the fact that Finland and the UK will negotiate a trade agreement that will benefit both countries. This is especially needed for Finnish trade, as the UK is the eight largest import and seventh largest export trade partner of Finland. However, the Ministry of Foreign Affairs of Finland (n.d. a) has stated that “the unity of the EU and its well-functioning single market will not be put at stake”, which in turn expresses that the membership of Finland in the EU is priority. Regarding the trade of paper products to the UK, it is preferable to come to an agreement which is beneficial for Finnish businesses and to promote more effortless trade.

Moreover, it is also predicted that the economy of the UK will rise after its departure from the EU, which ultimately was the major reason for Brexit, in addition for the UK wanting to monitor the persons crossing its borders regardless of it not being a part of the Schengen Area. As of April 2019, only one study carried out by the Economists for Free Trade, predicts that Brexit would provide a significant boost to the UK economy and the study forecasts that UK national income would be 4-7 percent larger after Brexit. However, the UK would have to unilaterally adopt completely free trade in order for the rise to happen. Moreover, other studies suggest that the prediction of economic growth for the UK would be significantly less after leaving the EU and adopting a policy of unilateral free trade. The studies show that unilateral free trade would reduce economic growth, or at best, offer a significantly smaller benefit to the UK economy (Stojanovic & Tetlow 2018, pp. 4 [and] Economists for Free Trade 2018). The rise of the British economy, however, will possibly take some years as the manner of the UK leaving is still very uncertain.



## References

- Allen, K. (2019). Financial Times, *Fitch may cut UK credit rating on no-deal Brexit risk* [Online] Available at: <<https://www.ft.com/content/308bfc52-3557-11e9-bb0c-42459962a812>> [last accessed 17.4.2019]
- Amadeo, K. (2019). The Balance, *Brexit Consequences for the U.K., EU and, the United States* [Online] Available at: <<https://www.thebalance.com/brexit-consequences-4062999>> [last accessed 6.1.2019]
- BBC (2019). News, *Most imports tariff-free under no-deal plan* [Online] Available at: <<https://www.bbc.com/news/business-47551266>> [last accessed 10.4.2019]
- Blitz, J., Brunsdon, J. & Hughes, L. (2019). Financial Times, *Brexit timeline: key dates in the UK's divorce from the EU* [Online] Available at: <<https://www.ft.com/content/64e7f218-4ad4-11e7-919a-1e14ce4af89b>> [last accessed 18.4.2019]
- Butcher, L. (2018). House of Commons Library, *Brexit and transport* [Online] Available at: <<http://www.researchbriefings.files.parliament.uk/documents/CBP-7633/CBP-7633.pdf>> [last accessed 17.2.2019]
- CoffinMew (2016). *Brexit: What could this mean for the Transport & Logistics sector?* [Online] Available at: <<https://coffinmew.co.uk/brexit-transport-logistics-sector/>> [last accessed 8.2.2019]
- DFDS (n.d.) Brexit checklist for exporters & importers [Online] Available at: <<https://www.dfds.com/en/about/insights/brexit/exporters-and-importers>> [last accessed 29.4.2019]
- Di Lieto, G. (2019). The Conversation, *What's the deal (or no-deal) with Brexit? Here's everything explained* [Online] Available at: <<http://theconversation.com/whats-the-deal-or-no-deal-with-brexit-heres-everything-explained-110024>> [last accessed 9.2.2019]
- Economics Online (n.d.). *Trading blocs* [Online] Available at: <[https://www.economicsonline.co.uk/Global\\_economics/Trading\\_blocs.html](https://www.economicsonline.co.uk/Global_economics/Trading_blocs.html)> [last accessed 28.2.2019]
- Economists for Free Trade (2018). *Brexit could boost UK economy by £135 billion, say top economists* [Online] <<https://www.economistsforfreetrade.com/News/brexit-could-boost-uk-economy-by-135-billion-say-top-economists/>> [last accessed 28.4.2019]
- EFTA (n.d.). *Frequently asked questions on EFTA, the EEA, EFTA membership and Brexit* [Online] Available at: <<https://www.efta.int/About-EFTA/Frequently-asked-questions-EFTA-EEA-EFTA-membership-and-Brexit-328676>> [last accessed 26.2.2019]
- Elinkeinoelämän keskusliitto (n.d.). *EU:n plussat ja miinukset yrityksille (Plusses and minuses of the EU)* [Online] Available at: <<https://ek.fi/mita-teemme/eu-asiat/brexit/eun-plussat-yrityksille/>> [last accessed 15.4.2019]

European Commission (2010). Free movement of goods, *Guide to the application of Treaty provisions governing the free movement of goods* [Ebook] Available at: <<https://publications.europa.eu/en/publication-detail/-/publication/a5396a42-cbc8-4cd9-8b12-b769140091cd>> [last accessed 18.4.2019]

European Commission (2018a). *Skills in the Automotive Sector* [Online PDF] Available at: <<https://ec.europa.eu/docsroom/documents/33701>> [last accessed 17.4.2019]

European Commission (2018b). Notice to Stakeholders, Withdrawal of the United Kingdom and EU rules in the field of Customs and indirect taxation [Online PDF] <[https://ec.europa.eu/info/sites/info/files/file\\_import/customs\\_and\\_indirect\\_taxation\\_en.pdf](https://ec.europa.eu/info/sites/info/files/file_import/customs_and_indirect_taxation_en.pdf) > [last accessed 30.4.2019]

European Commission (2019). Migration and Home Affairs, *Schengen Area* [Online] Available at: <[https://ec.europa.eu/home-affairs/what-we-do/policies/borders-and-visas/schengen\\_en](https://ec.europa.eu/home-affairs/what-we-do/policies/borders-and-visas/schengen_en)> [last accessed 18.4.2019]

European Commission (n.d. a). Customs Unions, *The EU's Custom's Union* Available at: <<http://trade.ec.europa.eu/tradehelp/customs-unions>> [last accessed 26.2.2019]

European Commission (n.d. b). Internal Market, Industry, Entrepreneurship and SMEs, *Automotive industry* [Online] Available at: <[https://ec.europa.eu/growth/sectors/automotive\\_en](https://ec.europa.eu/growth/sectors/automotive_en)> [last accessed 17.4.2019]

European Commission (n.d. c). *Technical harmonisation* [Online] Available at: <[https://ec.europa.eu/growth/sectors/automotive/technical-harmonisation\\_en](https://ec.europa.eu/growth/sectors/automotive/technical-harmonisation_en)> [last accessed 19.4.2019]

European Commission (n.d. d). *Trade Helpdesk* [Online] Available at: <<http://trade.ec.europa.eu/tradehelp/basic-rules>> [last accessed 26.4.2019]

European Commission (n.d. e). Internal Market, Industry, Entrepreneurship and SMEs, *Entrepreneurship and Small and medium-sized enterprises (SMEs)* [Online] Available at: <[https://ec.europa.eu/growth/smes\\_en](https://ec.europa.eu/growth/smes_en)> [last accessed 28.4.2019]

European Commission (n.d. f). Taxation and Customs Union, *TARIC Consultation* [Online] Available at: <[https://ec.europa.eu/taxation\\_customs/dds2/taric/taric\\_consultation.jsp?Lang=en](https://ec.europa.eu/taxation_customs/dds2/taric/taric_consultation.jsp?Lang=en)> [last accessed 26.4.2019]

European Commission (n.d. g). *Internal Market, Industry, Entrepreneurship and SMEs* [Online] Available at: <[http://ec.europa.eu/growth/single-market/ce-marking\\_en](http://ec.europa.eu/growth/single-market/ce-marking_en)> [last accessed 25.4.2019]

European Commission (n.d. h) Taxation and Customs Union, *Withdrawal of the United Kingdom from the EU* [Online] Available at: <[https://ec.europa.eu/taxation\\_customs/uk\\_withdrawal\\_en](https://ec.europa.eu/taxation_customs/uk_withdrawal_en)> [last accessed 29.4.2019]

European Parliament (2018a). Fact Sheets on the European Union, *Free movement of workers* [Online] Available at: <<http://www.europarl.europa.eu/factsheets/en/sheet/41/free-movement-of-workers>> [last accessed 15.4.2019]

European Parliament (2018b). Fact Sheets on the European Union, *Free movement of goods* [Online] Available at: <<http://www.europarl.europa.eu/factsheets/en/sheet/38/free-movement-of-goods>> [last accessed 18.4.2019]

European Union (2019a). *Trade* [Online] Available at: <[https://europa.eu/european-union/topics/trade\\_en](https://europa.eu/european-union/topics/trade_en)> [last accessed 5.4.2019]

European Union (2019b). *Product rules and specifications* [Online] Available at: <[https://europa.eu/youreurope/business/product/product-rules-specifications/index\\_en.htm](https://europa.eu/youreurope/business/product/product-rules-specifications/index_en.htm)> [last accessed 25.4.2019]

Export.gov (2018a). *Finland - Import Requirements and Documentation* [Online] Available at: <<https://www.export.gov/article?id=Finland-Import-Requirements-and-Documentation>> [last accessed 26.4.2019]

Export.gov (2018b). Finland Country Commercial Guide, *Finland - Labeling/Marking Requirements* [Online] Available at: <<https://www.export.gov/article?id=Finland-Labeling-Marking-Requirements>> [last accessed 5.4.2019]

Fitch Ratings (n.d.). *About* [Online] Available at: <<https://www.fitchratings.com/site/about>> [last accessed 17.4.2019]

Fox, J. (2017). Supply Chain Digital, *How will Brexit impact the European logistics industry?* [Online] Available at: <<https://www.supplychaindigital.com/logistics/how-will-brexit-impact-european-logistics-industry>> [last accessed 12.2.2019]

Gov.uk (2016). *Dispatching your goods within the EU* [Online] Available at: <<https://www.gov.uk/guidance/dispatching-your-goods-within-the-eu>> [last accessed 5.1.2019]

Gov.uk (2017). *UK Trade Tariff: import prohibitions and restrictions* [Online] Available at: <<https://www.gov.uk/government/publications/uk-trade-tariff-import-prohibitions-and-restrictions/uk-trade-tariff-import-prohibitions-and-restrictions>> [last accessed 28.4.2019]

Gov.uk (2018). Press Release - *UK exports to non EU countries continue to outstrip the EU* [Online] Available at: <<https://www.gov.uk/government/news/uk-exports-to-non-eu-countries-continue-to-outstrip-eu>> [last accessed 8.2.2019]

Gov.uk (2019). HM Revenue & Customs, *Promotional material - Preparing for a no deal EU Exit: step-by-step guide to importing* [Online] Available at: <<https://www.gov.uk/government/publications/partnership-pack-preparing-for-a-no-deal-eu-exit/preparing-for-a-no-deal-eu-exit-step-by-step-guide-to-importing>> [last accessed 27.4.2019]

Hayward, K., Henig, D., Hestermeyer, H., Leinarte, E., Lowe, S., Peer, S. & Ungphakorn, P. (2018). *What would 'trading on WTO terms' mean for the UK?* [Online PDF] Available at: <<https://ukandeu.ac.uk/wp-content/uploads/2018/12/What-would-trading-on-WTO-terms-mean-Long-Guide.pdf>> [last accessed 14.4.2019]

HKTDC Research (2018). *Trade Regulations of the EU* [Online] Available at: <<http://hong-kong-economy-research.hktdc.com/business-news/article/Small-Business-Resources/Trade-Regulations-of-the-EU/sbr/en/1/1X000000/1X006MZ7.htm>> [last accessed 5.4.2019]

HM Government (2018a). *The Future Relationship Between the United Kingdom and the European Union* [Online PDF] Available at: <[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/725288/The\\_future\\_relationship\\_between\\_the\\_United\\_Kingdom\\_and\\_the\\_European\\_Union.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/725288/The_future_relationship_between_the_United_Kingdom_and_the_European_Union.pdf)> [last accessed 26.2.2019]

HM Government (2018b). *Preparing for a 'no deal' EU Exit: step-by-step guide to exporting* [Online PDF] Available at: <[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/750255/No-deal\\_EU\\_\\_exit\\_step-by-step\\_guide\\_to\\_exporting\\_Oct\\_2018.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/750255/No-deal_EU__exit_step-by-step_guide_to_exporting_Oct_2018.pdf)> [last accessed 29.4.2019]

Hunt, D. (2017). Express, *'We want a deep partnership' Finland wants even CLOSER relationship with UK after Brexit* [Online] Available at: <<https://www.express.co.uk/news/uk/896520/Brexit-news-UK-EU-Theresa-May-Finland-European-Union-Michel-Barnier-negotiations-video>> [last accessed 27.4.2019]

Jozepa., I. (2019). House of Commons Library, *No-deal Brexit and WTO: Article 24 explained* [Online] Available at: <<https://commonslibrary.parliament.uk/brexit/no-deal-brexit-and-wto-article-24-explained/>> [last accessed 26.4.2019]

Kaarna, A., Kuusisto, T., Telasuo, C. & Tulonen, T. (2018). Tieto&Trendit, *Suomen ulkomaankauppa Yhdysvaltojen ja Ison-Britannian kanssa ylijäämäistä (Finnish trade with the US and UK amount in surplus)* [Online] Available at: <<http://www.stat.fi/tietotrendit/artikkelit/2018/suomen-ulkomaankauppa-yhdysvaltojen-ja-ison-britannian-kanssa-ylijaamaista/>> [last accessed 20.3.2019]

Lehmus, M. & Suni, P. (2016). ETLA, *Brexit ja Suomen talous (translation: Brexit and the Finnish economy)* [Online PDF] Available at: <<https://www.etla.fi/wp-content/uploads/ETLA-Muistio-Brief-48.pdf>> [last accessed 19.3.2019]

Liikenne- ja viestintäministeriö (2019). *Transport sector prepared for Brexit* [Online] Available at: <<https://www.lvm.fi/-/transport-sector-prepares-for-brexit-1002246>> [last accessed 18.4.2019]

Martin, W. (2019). Business Insider Nordic, *The looming threat of no deal Brexit could push the UK's credit rating to its worst level in decades* [Online] Available at: <<https://nordic.businessinsider.com/no-deal-brexit-fitch-warns-on-uk-credit-rating-cut-2019-2>> [last accessed 17.4.2019]

Ministry for Foreign Affairs of Finland (n.d. a). *Brexit and Finland* [Online] Available at: <<https://um.fi/brexit-and-finland>> [last accessed 11.3.2019]

Ministry for Foreign Affairs of Finland (n.d. b). *Export control* [Online] Available at: <<https://um.fi/export-control>> [last accessed 28.4.2019]

Ministry of Economic Affairs and Employment of Finland (n.d.). *Impact on businesses* [Online] Available at: <<https://tem.fi/en/impact-on-businesses>> [last accessed 18.4.2019]

Miriam-Webster (n.d.). *Cabotage* [Online] Available at: <<https://www.merriam-webster.com/dictionary/cabotage>> [last accessed 17.2.2019]

Morris, C. (2019). BBC News, *Brexit: Could Channel Ports cope with no deal?* [Online] Available at: <<https://www.bbc.co.uk/news/uk-46739895>> [last accesses 8.2.2019]

Morris, C. (2019). BBC News, *Brexit: What is the 'no deal' WTO option?* [Online] Available at: <<https://www.bbc.com/news/uk-45112872>> [last accessed 22.3.2019]

Mueller, B. (2019). The New York Times, *What is Brexit? A Simple Guide to Why It Matters and What Happens Next* [Online] Available at: <<https://www.nytimes.com/interactive/2019/world/europe/what-is-brexit.html>> [last accessed 6.1.2019]

Nibusiness.co.uk (n.d. b). *Economic Operator Registration and Identification (EORI) Scheme* [Online] Available at: <<https://www.nibusinessinfo.co.uk/content/who-needs-eori-number>> [last accessed 27.4.2019]

Nibusinessinfo.co.uk (n.d. a). Trade in the European Union, *VAT within the EU* [Online] Available at: <<https://www.nibusinessinfo.co.uk/content/vat-within-eu>> [last accessed 3.4.2019]

Olkku, T. (2019). Kouvolan sanomat, *Paperin vienti jatkuu brexitin jälkeenkin – Metsäteollisuudelle Iso-Britannia on lähes 900 miljoonan euron markkina-alue (Import of paper will continue after Brexit – Great Britain is almost worth 900 million as a market sector to the lumber industry)* [Online] Available at: <<https://kouvolansanomat.fi/uutiset/talous/13334dd4-b31d-415a-a5bc-eef8a65c3573>> [last accessed 10.4.2019]

Reid, H. (2019). Irish Examiner, *Brexit extension intensifies damage to British Economy* [Online] Available at: <<https://www.irishexaminer.com/breakingnews/business/brexit-extension-intensifies-damage-to-british-economy-920425.html>> [last accessed 27.4.2019]

Ross, T. (2019). Bloomberg, *Theresa May Hints at U.K. Election If Parliament Can't Agree on Brexit Deal* [Online] Available at: <<https://www.bloomberg.com/news/articles/2019-03-29/may-hints-at-u-k-election-if-parliament-can-t-agree-brexit-deal>> [last accessed 27.4.2019]

- Sandhu, S. (2019). The Essential Daily Briefing, *What is a no-deal Brexit? Consequences of the UK leaving the EU without a deal* [Online] Available at: <<https://inews.co.uk/news/brexit/no-deal-brexit-what-meaning-uk-leave-uk-consequences/>> [last accessed 11.2.2019]
- Sherlock, J. & Reuvid J. (2008). *The Handbook of International Trade, A Guide to the Principles & Practice of Export*. Second Edition, GMB Publishing Ltd (pp. 256)
- Shuttleworth, M. (2008). Explorable, *Case Study Research Design* [Online] <<https://explorable.com/case-study-research-design>> [last accessed 11.3.2019]
- Smyth, J. (2019). Financial Times, *EU says UK will struggle to match its free trade deals* [Online] Available at: <<https://www.ft.com/content/1f8cbbf2-334b-11e9-bd3a-8b2a211d90d5>> [last accessed 27.4.2019]
- Speed, J. & Williamson, R. (2018). Lexology, *Brexit update: potential impact for the automotive sector* [Online] Available at: <<https://www.lexology.com/library/detail.aspx?g=e94a1322-7faa-462d-9972-fc2cca8e3a24>> [last accessed 27.4.2019]
- Statistics Finland (2019). Trade, *Structural business and financial statement statistics* [Online] Available at: <[https://www.stat.fi/til/yrti/index\\_en.html](https://www.stat.fi/til/yrti/index_en.html)> [last accessed 11.3.2019]
- Stojanovic, A. & Tetlow, G. (2018). Institute for Government, *Understanding the economic impact of Brexit* [Online PDF] <<https://www.instituteforgovernment.org.uk/sites/default/files/Economic%20impact%20of%20Brexit%20summary.pdf>> [last accessed 28.4.2019]
- Tilastokeskus (n.d.). *17 Paperin, paperi- ja kartonkituotteiden valmistus* [Online] Available at: <<https://www.stat.fi/meta/luokitukset/toimiala/001-2008/17.html>> [last accessed 26.4.2019]
- Traficom (2019). Effects of Brexit on road transport operators, *Road transport companies* [Online] Available at: <<https://www.traficom.fi/en/transport/liikennejarjestelma/effects-brexit-road-transport-operators>> [last accessed 18.4.2019]
- Tulli & Tilastokeskus (2018). Tullin ja Tilastokeskuksen yhteisjulkaisu (Finnish Customs and Statistics Finland joint release), *Suomen ulkomaankauppa Yhdysvaltojen ja Ison-Britannian kanssa (Finland's trade with the US and the UK)* [Online PDF] Available at: <<https://tulli.fi/documents/2912305/3331101/Suomen+ulkomaankauppa+Yhdysvaltojen+ja+Ison-Britannian+kanssa/e83f4f1c-4f8c-4d82-8e8c-8a9c8f359b64/Suomen+ulkomaankauppa+Yhdysvaltojen+ja+Ison-Britannian+kanssa.pdf?version=1.0>> [last accessed 14.5.2019]
- Tulli (2017). *Suomen ja Ison-Britannian välinen kappi (Trade between Finland and Great Britain)* [Online PDF] Available at: <<https://tulli.fi/docu->

ments/2912305/3331101/Suomen+ja+Ison-Britannian+v%C3%A4linen+kauppa+vuonna+2017%281-9%29/5caf5639-f55b-4699-b9f9-e139b7dfd5ca?version=1.0 > [last accessed 20.3.2019]

Tulli (2017b) 87 Ryhmä, *Kuljetusvälineet ja kulkuneuvot, muut kuin rautataien tai taitiotien liikkuvaan kalustoon kuuluvat, sekä niiden osat ja tarvikkeet (Transportation and vehicles, other than railway or tram equipment and their parts and accessories)* [Online PDF] <<https://tulli.fi/documents/2912305/3623742/Ryhm%C3%A4%2087%20-%20Kuljetusv%C3%A4lineet%20ja%20kulkuneuvot,%20muut%20kuin%20rautatien%20tai%20raitiotien%20liikkuvaan%20kalustoon%20kuuluvat,%20sek%C3%A4%20niiden%20osat%20ja%20tarvikkeet/ae5494c0-2d72-4b03-afae-96fcf4e47548?version=1.8>> [last accessed 29.4.2019]

Tulli (2018). *Suomen ja Ison-Britannian välinen kauppa (Trade between Finland and Great Britain)* [Online PDF] Available at: <<https://tulli.fi/documents/2912305/3331101/Suomen+ja+Ison-Britannian+v%C3%A4linen+katsaus+2018+%281-8%29/84f2b356-80e8-405f-db4f-072a6045ce77/Suomen+ja+Ison-Britannian+v%C3%A4linen+katsaus+2018+%281-8%29.pdf?version=1.0>> [last accessed 14.4.2019]

Tulli (n.d. a). *Import VAT when importing from outside the EU* [Online] Available at: <<https://tulli.fi/en/businesses/import/import-vat>> [last accessed 26.4.2019]

Tulli (n.d. b). *General origin of goods* [Online] Available at: <<https://tulli.fi/en/businesses/import/general-origin-of-goods>> [last accessed 26.4.2019]

Tulli (n.d. c). *Export declaration process* [Online] Available at: <<https://tulli.fi/en/businesses/export/export-declaration-process>> [last accessed 26.4.2019]

Tulli (n.d. d). *Documents to be enclosed with export declarations* [Online] Available at: <<https://tulli.fi/en/businesses/export/documents-to-be-enclosed-with-export-declarations>> [last accessed 26.4.2019]

Tulli (n.d. e). *Mikä on EORI? (What is EORI?)* [Online] Available at: <<https://tulli.fi/sahkoiset-palvelut/palvelut/haku-ja-kyselypalvelut/eori>> [last accessed 27.4.2019]

Valpola, A. (2019). Kauppalehti, *Brittihallitus tiivistää sopimuksettoman brexitin valmistelua – tullimaksut jo julki (The British Government compresses a No-Deal Brexit - Customs Taxes already published)* [Online] Available at: <<https://www.kauppalehti.fi/uutiset/brittihallitus-tiivistaa-sopimuksettoman-brexitin-valmistelua-tullimaksut-jo-julki/93ca72dd-2d27-4591-9085-0a9a783e6873>> [last accessed 10.4.2019]

Ward, M. (2018). *www.parliament.uk, Statistics on UK-EU trade* [Online] Available at: <<https://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-7851>> [last accessed 5.1.2019]

Webb, D. & Keep M. (2016). House of Commons Library, *In brief: EU-UK economic relations* [Online] Available at: <<https://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN06091#fullreport>> [last accessed 5.1.2019]

World Trade Organization (n.d. a). Services: Sector by Sector, *Movement of natural persons* [Online] Available at: <[https://www.wto.org/english/tratop\\_e/serv\\_e/movement\\_persons\\_e/movement\\_persons\\_e.htm](https://www.wto.org/english/tratop_e/serv_e/movement_persons_e/movement_persons_e.htm)> [last accessed 14.4.2019]

World Trade Organization (n.d. b). Basic Purpose and Concepts, 1.3 *Definition of Services Trade and Modes of Supply* [Online] Available at: <[https://www.wto.org/english/tratop\\_e/serv\\_e/cbt\\_course\\_e/c1s3p1\\_e.htm](https://www.wto.org/english/tratop_e/serv_e/cbt_course_e/c1s3p1_e.htm)> [last accessed 14.4.2019]

World Trade Organization (n.d. c). WTO ANALYTICAL INDEX, *GATS – Annex on Movement of Natural Persons Supplying Services under the Agreement (Practice)* [Online PDF] Available at: <[https://www.wto.org/english/res\\_e/publications\\_e/ai17\\_e/gats\\_annnaturalpersons\\_oth.pdf](https://www.wto.org/english/res_e/publications_e/ai17_e/gats_annnaturalpersons_oth.pdf)> [last accessed 14.4.2019]

World Trade Organization (n.d. d). *Technical Information on Rules of Origin* [Online] Available at: <[https://www.wto.org/english/tratop\\_e/roi\\_e/roi\\_info\\_e.htm](https://www.wto.org/english/tratop_e/roi_e/roi_info_e.htm)> [last accessed 26.4.2019]

Your Europe, European Union (2019). *Standards in Europe* [Online] Available at: <[https://europa.eu/youreurope/business/product/standardisation-in-europe/index\\_en.htm](https://europa.eu/youreurope/business/product/standardisation-in-europe/index_en.htm)> [last accessed 5.4.2019]