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Somehow the UK managed to vote for leaving the EU, and as I write this around August Bank Holiday it looks possible it may occur without an exit agreement, so the UK audio business is hoping for the best. Much of our audio is China made and will continue to be imported. The UK may levy additional import taxes on European equipment while EU tariffs may impact price and availability of electronic components. Production schedules and costs are already impacted, as some of these parts are already scarce and certainly more expensive.

PMC manufactures loudspeakers in the UK but also imports components and, more particularly, built audio products from Germany, Canada and the USA; its Creative director Keith Tonge says the industry is facing a few dilemmas. He feels that for truly British-made product, like PMC loudspeakers intended for internal consumption or export, things are still looking rosier if the UK strikes a deal or indeed sticks to World Trade Organisation terms.

He adds that exporting is likely to prove easier to all countries following a 'Hard Brexit', especially if you have applied for an *Authorised Economic Operator* license: this a QA-based approval system for stock and shipping records, etc. UK-built products may well get a boost if the pound takes another dip, making their export pricing more attractive.

Industry stalwart David Jefferys feels there would be no substantive changes in duty or taxes for Hi-Fi gear, while noting that Boris Johnson had stated that the UK would have tariffs on EU imports. He presumed that import duty on goods from outside the EU would stay the same (while noting that exchange rate variations could have an impact). What would have to change is the way that VAT on imports is handled: at the moment shipments within the EU region are VAT-free, but after Brexit VAT may have to be levied on imports to the UK at 20% at port of entry, and vice versa on exports to EU, plus import duty into the EU, normally paid by the importer.

The UK government has published 106 technical notices setting out information to allow 'businesses and citizens' to understand what they would need to do in the event of a no deal scenario so they can make informed plans and preparations. This technical notice offers guidance for continued planning in the event of no deal. The government link on this topic is: <https://www.gov.uk/government/publications/vat-for-businesses-if-theres-no-brexite-deal/vat-for-businesses-if-theres-no-brexite-deal>.

For industry body The Clarity Alliance, Phil Hansen says that 'Assuming we crash out with No Deal (which seems increasingly likely) and end up trading under WTO terms, we assume that will affect tariffs for imported and exported goods. But, given the relatively low import duties applicable to most categories of our industry, the nervous amongst us are probably more focussed on the Trump v China tariff argument, with the possible threat of 25% etc tariffs being applied to Chinese made goods when imported into the USA and the knock-on effect this will have on US imports to the UK.

'Business will suffer, regardless of the exit route: change always brings uncertainty and temporary instability. The damage won't be permanent - we will adapt and thrive.

'Exporting though is likely to go smoother to all countries, if you use the services of, or have yourself an Authorised Economic Operator license, being a QA based approval for your stock and shipping records etc.'

Here at HIFICRITIC we've decided to keep calm and carry on distributing our magazine in the UK and around the world, and hope the dust will settle soon.

Martin Colloms
Editor-in-Chief