

FAO Brexit Review Panel  
Scrutiny Office  
Morier House  
Halkett Place  
St Helier  
JE1 1DD

Dear Sirs,

I am writing in response to your request for our views for the Brexit Review Scrutiny Panel relating to your letter dated 20 January 2021 to Mr O'Neil, and in respect of the UK-EU Trade and Economic Cooperation Agreement.

SandpiperCI primarily operates a franchise model, with all its partners being located in the UK. Our business covers multiple retail sectors including food retail (Morrisons, Iceland, Mark and Spencer), Clothing and General Merchandise (Marks and Spencer, Crew, and Matalan), Technology (iQ, Apple Premium Reseller), Greeting Cards (Card Factory) and hospitality (Costa). We therefore have relatively few direct links with the wide supply base supporting these brands. The sourcing of product is almost 100% undertaken by our partners in the UK. It is also true that all our goods are shipped to us from the UK and we have no direct supply chain links with the EU. Our partners in the UK source their products from around the world, as they deem fit. As such, all our answers below are the result of our understanding of how our partners believe their business will or might be impacted, and in some cases it is a composite view taken from multiple conversations with different partners.

The immediate impact on supply from the implementation of the TECA has been relatively small. Most of the goods sourced or our businesses via the EU are food items. Food items can also have short shelf lives and consequently need to move across borders quickly. There have been and continue to be availability issues across the food supply chain mainly focussed upon seasonal produce from Southern Europe. These will naturally improve with time due to familiarity with border processes and the move to UK sourcing in the summer months. In short, there is not expected to be any long term supply or availability issues caused by the TECA or any enhanced checking of EU goods.

Our non-food businesses have not experienced any obvious affects from TECA. It is fair to say that due to the impact of Covid, especially in the UK, it is not possible to state whether there will be issues at this stage. The non-food supply chains are barely functioning. In any event, most non-food items do not originate in the EU and therefore are less affected by the TECA.

However, there are expected to be some cost implications associated with the TECA despite there being 'broadly speaking' no tariffs. There is an additional administration burden and complexity concerning 'Rules of Origin' which do include tariffs. These are expected to increase costs from the point at which new contracts are signed by between 2-5%. These costs are expected to be passed on to consumers. For clarity, these rules relate to both food and non food imports.

**SandpiperCI Limited**

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The implications of Jersey unilaterally terminating its involvement in the TECA are hard to foresee, but we believe would be significant and detrimental to all aspects of supply. It will undoubtedly result in an increase in uncertainty, bring an additional administration burden and ultimately drive up costs. However, it is fair to say that all the impacts of such a decision are currently unclear to us and therefore this is a situation we would wish to avoid.

Finally, we have no concerns regarding the UK retaining ultimate responsibility for the development, monitoring and enforcement of trade policy and practises.

Yours Sincerely,

Michael Rutter  
Retail Managing Director

