

**SAFE,
PRODUCTIVE
AND
PROSPEROUS
OUTSIDE
THE EU**



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FOREWORD

Alan Murray
Chief Executive,
British Safety Industry Federation

Safety and avoiding work-related ill health are inextricably linked with productivity, which has been slowing in the UK since the financial crisis. According to the Health and Safety Executive (HSE), there were 31.2m working days lost due to work-related ill health and non-fatal workplace injuries in 2016/17,¹ and the economic cost of workplace injury and illness is around £14.9bn a year, of which £9.7bn is illness and £5.3bn is injury.²

Good safety is good business. We cannot afford to let productivity suffer. A 2011 report by the International Social Security Association found that the average return on prevention for safety and health at work was around 2.2 to 1, meaning that savings are more than double the initial investment.³ Benefits include the prevention of disruption and wastage, a sustained focus on quality, and employee satisfaction.

A thriving and innovative safety industry is a jewel in the crown of UK plc, underpinning its reputation as a modern economy with the capacity to develop and export world-leading safety equipment. It is a totem of the emphasis the UK puts on safety at work.

The Government has prioritised preventing premature mortality across the NHS, with fantastic projects that focus on cancers, diabetes and ischaemic heart disease yet, by comparison, less than adequate attention is given to a major cause of ill health; work related illness and injury.

While the UK is a world leader in workplace safety there is still work to be done to improve this record and to ensure that UK industry continues to improve productivity and serve its workers to the best of its ability.

I am pleased to say that British Safety Industry Federation (BSIF) will be taking the presidency of the European Safety Federation, the umbrella organisation for the safety industry across Europe, in February 2019, through which we will be working to further build links with our colleagues across Europe and to reinforce British leadership in safety and health.

We are committed to supporting industry and ensuring the UK Government and the European Commission are as informed as possible.

As we enter the final few months of the exit process, we hope that the recommendations in this report can inform discussions, both in Westminster and Brussels, about how we can improve the protection of workers and productivity in the work place, which will ultimately save lives.

Alan Murray
Chief Executive
British Safety Industry Federation

¹ <http://www.hse.gov.uk/statistics/dayslost.htm>

² <http://www.hse.gov.uk/statistics/cost.htm>

³ <https://www.issa.int/en/details?uuid=f27e62f2-b12d-42d9-9061-e403e95a9c14>

SUMMARY OF RECOMMENDATIONS

1

Any final deal should include a mutual recognition agreement for personal protective equipment.

This will encourage frictionless trade and ensure lower cost for UK businesses producing goods which are currently harmonised, such as PPE.

2

Safety and health standards should be unequivocally protected after the United Kingdom leaves the European Union

The reputation and record of UK industry is enhanced through its excellent safety and health practices. The UK system works – and any watering down of safety and health regulation would potentially leave workers at risk. Good safety is good business.

3

Responsibility for Personal Protective Equipment (PPE) standards enforcement should be moved to the Office for Product Safety and Standards. The authorities should recognise and promote the Registered Safety Supplier Scheme, and ensure that market surveillance is proactive and effective.

Vigilance and enforcement will have to significantly improve following Britain's exit from the European Union. If we are to protect UK workers, the enforcement of PPE standards should be carried out at the border and throughout the supply chain, not just in some workplaces.



THE IMPORTANCE OF THE SAFETY INDUSTRY

The cost of workplace illness and injury

As an advanced economy, the United Kingdom recognises it has a duty to protect its workers. The Health and Safety Executive estimates the economic cost of workplace injury and illness to be around £14.9bn a year, of which £9.7bn is illness and £5.3bn is injury.

It estimates the cost to the Government to be around £3.4bn a year, with the rest falling to individuals and employers to bear. Despite this, the resources made available to the Health and Safety Executive continues to decline.

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Safety is sustainability and profitability. By allowing the HSE's resources to fall, we are doing a disservice to workers and the economy by encouraging poor practice in some pockets of

industry. By avoiding workplace injury through good safety practice and equipment, workers are able to work for longer and to be more productive at work. With an ageing population, we cannot afford to become complacent.

Global soft power

World-leading safety and health practice, with PPE at its heart, is an integral part of the UK's reputation as a nation which protects its workers from harm, and central to allowing employers to enact sensible, practicable safety and health controls.

Worldwide, the picture is bleak. According to the British Safety Council, around 2.2 million people die every year as a result of work-related ill-health, disease and injury. About four per cent of global gross domestic product is lost - or £1.5 trillion.⁴

This is why the UK's position as a world leader in safety and health practice, with its innovative safety industry driving exports and better workplace wellbeing, is an important component of its global soft power.

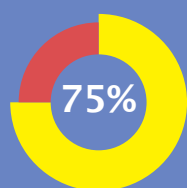
BSIF recommends that safety and health standards should be unequivocally protected after the United Kingdom leaves the European Union

⁴ <https://www.britsafe.org/media/1569/the-business-benefits-health-and-safety-literature-review.pdf>

KEY SURVEY FINDINGS

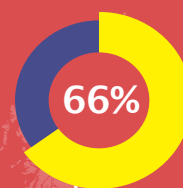
The British safety industry is diverse:

About three quarters of BSIF members are small businesses (turnover <£10m).

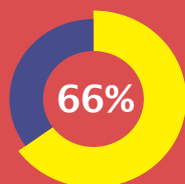


Two thirds of

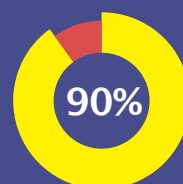
BSIF members consider the reputation of the UK's conformity assessment process, and authorities in safety equipment, to be slightly or significantly better than other countries.



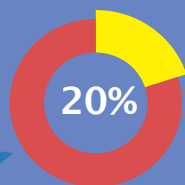
About **two thirds** of BSIF members operate across borders as importers, distributors or exporters of PPE.



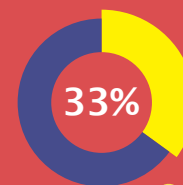
On average, BSIF members think the importance for their business of the UK retaining the CE mark and the EN standards for PPE post Brexit stands as **9 out of 10**.



One in five BSIF members see themselves as PPE exporters.



1 in 3 BSIF members reported experiencing excessive documentation requirements or onerous licensing, packaging and labelling requirements when trading outside the EU.





NON-TARIFF TRADE BARRIERS AND HOW TO AVOID THEM

BSIF members have reported many non-tariff barriers affecting their international operations outside the European Union. With UK trade predominantly being with the European Union, our members currently largely avoid non-tariff trade barriers, with broad standardisation of international trade protocols such as standard documents and packaging, and use of CE marking to indicate compliance with relevant quality standards.

There is a very real risk that such barriers could appear following Britain's withdrawal from the European Union.

Around thirty per cent of BSIF members reported experiencing excessive documentation requirements or onerous licensing, packaging and labelling requirements in trading outside the EU. The UK Government, in working to build trade relationships with countries outside the EU, can develop agreements including mutual recognition of CE marked products, particularly where local standards are essentially a 'copy and paste' of European standards.

Foreign exchange controls also proved a problem, as about thirty per cent of BSIF members reported.

Around thirty per cent of BSIF members reported experiencing excessive documentation requirements or onerous licensing, packaging and labelling requirements in trading outside the EU.

Currency controls have a very real impact on trade for those countries imposing them, and are a very real barrier to trade for those companies seeking to enter those markets.

Foreign exchange controls also proved a problem, as about thirty per cent of BSIF members reported.

An International Monetary Fund working paper found that, 'A one standard deviation increase in the controls on FX transactions reduces trade by the same amount as a rise in tariff by 10.8 to 11.3 percentage points. When a case study of the emerging markets during 1996-99 is examined, we find that those countries with greater increases in the controls on capital transactions also experienced greater falls in their trade (after taking into account their output contractions).'⁵ In other words, foreign exchange controls make it more difficult for companies to do business, and this means trade suffers.

The Department for International Trade is doing some good work in advancing the interests of British industry across the globe, as did its predecessors. About one in ten BSIF members have received government assistance in developing trade opportunities, but after Brexit, this activity will become even more important when businesses develop relationships with partners around the world. BSIF would be pleased to work with its international counterparts in the safety industry, and with DIT, to develop new export opportunities.

5 <https://www.imf.org/external/pubs/ft/wp/2007/wp0708.pdf>

IMPORTANCE OF MUTUAL RECOGNITION

Summary

The safety industry in the UK firmly believes mutual recognition for goods must be a part of the final deal with the European Union.

Standards for PPE, which are probably more important than those affecting almost every other manufactured product, are governed by European Union regulations, and have been since 1989. European Union policy does not just affect PPE standards. It affects every facet of safety in the United Kingdom. Of the 65 new British health and safety regulations introduced between 1997 and 2009, 41 originated in the EU.

The safety industry in the UK believes that mutual recognition of goods must form part of the final deal with the EU in one form or another.

About mutual recognition

The Mutual Recognition Regulation (EC 764/2008) affects both EU member states and members of the European Economic Area (EEA) - Iceland, Norway and Liechtenstein. It means that member states must allow goods that are legally sold in other member states also to be sold in their own territory.⁶ It applies to goods which have not been harmonised by EU legislation setting out common requirements.⁷

In contrast mutual recognition agreements facilitate the trade of goods between the EU and third countries.⁸ These are bilateral agreements and provide easier access to a conformity assessment,

i.e. a procedure which involves testing, inspection and certification specified in product legislation.⁹

Mutual recognition agreements create conditions under which a third country will accept conformity assessment results performed by the EU's conformity assessment bodies, to show compliance with the EU's requirements. The EU has mutual recognition agreements with Australia, Canada, Israel, Japan, New Zealand, Switzerland and the USA.

Previously the primary law governing standards for PPE was Directive 89/686/EEC, but this was repealed with effect from the 21st April 2018 and replaced by Regulation (EU) 2016/425. The goal of this regulation is to ensure that there are common standards for PPE across member states in terms of the protection of health and the safety of users, while enabling the free movement of PPE within the Union.¹⁰ The new regulation ensures that conformity assessment procedures are identical in all member states.¹¹

What would the impact be?

Should the UK not remain in the EEA and subject to the mutual recognition regulation, or construct a mutual recognition agreement with the EU, the circulation of PPE products in the European market, across the UK-EU border, will face many difficulties.

From the withdrawal date, a manufacturer or importer established inside the UK will no longer be considered as an economic operator

⁶ <https://www.gov.uk/guidance/mutual-recognition-regulation-across-the-eea>

⁷ <https://www.gov.uk/guidance/mutual-recognition-regulation-across-the-eea>

⁸ http://ec.europa.eu/growth/single-market/goods/international-aspects/mutual-recognition-agreements_en

⁹ https://ec.europa.eu/growth/single-market/goods/building-blocks/conformity-assessment_en

¹⁰ <https://osha.europa.eu/en/legislation/directive/regulation-eu-2016425-personal-protective-equipment>

¹¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32016R0425>



established in the Union, and a distributor inside the Union will become an importer in relation to products from the UK. For PPE products from the UK to circulate in Europe, the products must comply with the specific obligations relevant to the importer.

Furthermore, EU legislation requires the intervention of a notified body in the conformity assessment process (procedure for admittance on to the market of new products or products from third countries). Notified bodies must by law be established in a member state. Therefore, from the date of withdrawal, UK notified bodies will cease to be able to perform conformity assessment tasks pursuant to Union product legislation. PPE products will therefore require a certificate from an EU notified body at the time that product is placed on the market after Brexit.

The results of conformity assessment carried out by UK notified bodies will no longer be recognised in the EU without a deal which includes mutual recognition. This means that products tested by a UK notified body will no longer be able to be placed on the EU market without retesting and remarking by an EU recognised conformity assessment body. All PPE certified only in the UK would need to be recertified by an EU notified body to be sold in the EU, which would pose a huge cost to those BSIF members with many different product lines, all of which already comply with European regulation.

There is also a risk that the UK could be a target for inferior PPE and safety equipment if EN Harmonised Standards are not applied, which is even more troubling given the current lack of an adequate surveillance and enforcement infrastructure.

BSIF recommends that any final deal includes a mutual recognition agreement for personal protective equipment

About UK notified bodies

There are fourteen notified bodies (NBs) in the UK providing certification services to those organisations wishing to place PPE on the market within the EU and therefore requiring the CE mark. Notified bodies offer their conformity assessment services, ensuring products have proof of compliance with all essential requirements.

Notification is essential for products to be sold in the single market while other markets use it as an indication of quality. A large number of UK notified body customers are from outside the UK, but choose to use our services for professionalism, in depth knowledge of processes and compliance, and ease of communication. Two thirds of BSIF members consider the reputation of the UK's conformity assessment process, and authorities in safety equipment, to be slightly or significantly better than other countries.

The notification process can only be undertaken by the notifying authority of each member state within

the EU and the UK will lose this once it leaves the EU, unless provision is made to retain this power as part of the Brexit agreement. **The BSIF is extremely concerned that the failure to retain the ability of notified bodies operating in the UK to approve goods for sale in the single market will have a dramatic impact on UK manufacturers, importers and distributors.** It would lead to increases in the cost and complexity of obtaining the certification services and support they need as they will be forced to use the services of notified bodies within the EU.

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REGULATION AND ENFORCEMENT AFTER BREXIT

Following the UK's exit from the European Union, it will need to develop an infrastructure of greater examination and enforcement at the border with the EU.

Currently, the Health and Safety Executive is responsible for the enforcement of PPE standards regulation. All other product safety enforcement is carried out by Trading Standards and the Office for Product Safety and Standards. The OPSS will also ensure the appropriate border checks are carried out on imported products once the UK leaves the European Union.

There is already a growing and troubling trend of counterfeit, non-compliant PPE entering the UK market. This puts British workers at risk of debilitating injury or death, and exposes employers to huge liability.

The Health and Safety Executive is a tremendous organisation doing great work in enforcing health and safety legislation in workplaces across the country. It does not, however, have the resources or staff to tackle this growing threat, particularly given the point of entry on to the market lies at the border. The rationale for HSE being responsible for PPE regulation is that it inspects the setting in which the equipment is used, by which point it has already proliferated across the market. This is much too late.

BSiF currently operates independent product testing as part of the Registered Safety Supplier Scheme, a voluntary programme through which reputable safety equipment suppliers submit their products for testing, allowing them to advertise that their equipment is genuine. BSiF would be willing to become a partner in enforcing standards in PPE.

BSiF recommends that responsibility for personal protective equipment standards enforcement is moved to the Office for Product Safety and Standards and that the authorities recognise and promote the Registered Safety Supplier Scheme



CONCLUSION

Safety and health is all too often an area that is under resourced by government. The UK's safety industry is a world leader in this field, taking advantage of an international reputation for high standards and effective regulation, and the industry needs to be recognised and prioritised as an important player.

At this crucial time, as the country is exiting the European Union, the contribution the safety and health industry makes to the UK economy, the safety of UK workers and the reputation of UK plc, cannot be underestimated. This can be measured in exports, reputational appeal for the UK industry and worker safety.

The BSIF is calling for all recommendations to be taken up by the Government, the HSE and the European Commission to ensure that workers' safety remains a priority after the UK exits the EU.

ABOUT THE BRITISH SAFETY INDUSTRY FEDERATION

The British Safety Industry Federation is the UK's trade body for the safety industry, representing 260 member organisations including manufacturers, importers and distributors of personal protective and associated safety equipment. We provide support and guidance on product standards education and on a wide range of occupational safety and health issues, allowing British business to flourish and employees to be safe at work. The British safety industry is diverse: about three quarters of BSIF members are small businesses (turnover <£10m), and there are several firms with a turnover of over £100m.

Today the BSIF is firmly established as the independent voice of the British safety industry and are committed to helping industry in the UK to be both safe and profitable. **Good safety is good business.**



