Brexit - Preparing for the UK’s exit from the EU: Communication for Suppliers: No. 2

Dear all,

Back in February I sent a letter setting out the main risks as Airbus sees them related to Brexit. Unfortunately, there is still little clarity on what agreements will be made between the European Union (EU) and the UK and when they will be made. Therefore, we are still heading towards a situation where after 29th March 2019, the UK will no longer be part of the EU.

We count on you as our suppliers to anticipate any adverse impact and ensure potential changes are understood and appropriate measures are taken in advance to ensure full business continuity. We need to ensure that your company and your supply chain are prepared for Brexit, so that delivery to Airbus remains effective.

Flow of Goods Across the Border

Additional administrative processes at ports and the Channel Tunnel may create bottlenecks that slow the flow of goods and delay deliveries. We recommend that analysis is performed on all goods to be transported in this way and all necessary actions taken to protect timely deliveries to Airbus (for example, buffer stocks, use of less congested ports, alternative transport means, alternative sources not subject to such risk etc.).

Airbus has decided to build a one month buffer stock in order to mitigate the possible risks. Clearly this stock will need to be held after it has crossed the EU/UK border. We are working on the details of this and will trigger the requests in the relevant systems. **We count on you to begin to prepare for this and to make similar provisions with your own suppliers.**

New Customs Requirements

We should prepare for the possibility of a new customs border between the UK and the EU27 and an increase in the amount of data required for goods crossing the border. **Please ensure you take steps to ensure you understand the new requirements; ensure that adequate resource is allocated to the future activity; and adapt your IT systems accordingly.**

Once again, the type of data likely to be required as per Customs European Legislation is attached.
EASA - DOA, POA, MOA (Design, Production & Maintenance Organisation Approvals)
implications as a consequence of UK CAA not being part of EASA

Post 29th March 2019, there is a high risk that the UK will no longer be part of EASA and therefore suppliers who have their own DOA & POA located in the UK would be impacted. Consequently, you may not be able to deliver parts directly to Airbus or even to airlines depending on the supplier’s approvals and contractual agreements (DDA – Direct Delivery Authorisation). Please provide Airbus with the status concerning your own DOA or POA approvals, as well as the possible impacts in terms of production and spares deliveries.

As the process to relocate your DOA, POA, etc. outside of the UK can be lengthy, we need this information very quickly in order to be able to support you accordingly and work together to identify necessary mitigation actions.

Movement of People

While the UK Government has signalled its recognition of the need for flexibility, the current freedom of movement of persons between the UK and the EU27 may no longer apply after Brexit. It is important to understand the dependence on cross-border resource and establish contingency plans that can be implemented if restrictions are applied. Please make sure that the delivery of your products and services is not impacted.

Please note that the above topics are not an exhaustive list of potential issues but represents some of our key concerns as of today. We rely on you to be pro-active, and to monitor developments, so that you and your supply chain are prepared.

We ask all our suppliers to ensure they have established effective risk mitigation plans. Airbus has developed a Brexit Risk and Opportunities self-assessment questionnaire which we have sent to suppliers we know have flows of goods which are impacted. If you have received it and not yet completed it, we count on you to do so as soon as possible. This will allow us to identify the highest risks and work together to mitigate them.

Airbus will continue to be fully engaged on this topic and will provide further information as it becomes available.

The EU recently published a factsheet for Companies on preparing for Brexit which is attached to this letter (factsheet-preparing-withdrawal-brexit-preparedness-web).

For Brexit related matters please contact your Supplier Relationship Manager or your normal point of contact within Procurement at Airbus.

You may also raise queries through the generic BREXIT E-mail address: airbus.brexit-suppliersupport@airbus.com.

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CPO

From Klaus RICHTER Data 30 July 2018 Ref 200.033/2018
Customs data fields likely to be required post Brexit

Data to be provided by consignee:

- Consignee
- Country of Origin
- Net Value
- Materials
- Community Goods
- Country of Origin
- Item Price

Data to be provided on transport documents issued to suppliers:

- Loading List
- Place of Loading/Unloading
- Two Packages
- Customs
- Mode of Transport at the Border
- Inland Mode of Transport
- Gross Mass
- Identity and Nationality of driver of transport vehicle
- Commercial/Other Document
- Identity and nationality of driver of transport vehicle crossing the border
- Gross Mass
- Quality of Driver/Local agent or department of transport
- Two Packages
- Additional Information/Documents Produced/Authorizations