

L@b Brief – February 2020



Hello again all,

I'm not going to rehash Steve's brilliant emails which keep you all up to date with Covid 19 but I have included in this month's issue one or two corona virus items specifically for lab companies, including some info on the ventilator situation and on CE marking of ventilators and masks.

In the current fast-moving situation, Members have asked for a place where you can exchange ideas and tips for dealing with the current crisis so a new forum is now up and running on on Linked-in for you which you can access [here](#). The people who have already posted would be very interested in your thoughts on their questions and I hope you will take advantage of the huge range of experience and knowledge among GAMBICA members by posting your own questions too.

I know some of you are madly busy at present contending with getting critical worker status for your staff or deciding whether to keep your premises open – and a resume of current information for you is included (though do keep looking out for Steve's emails for the very latest advice). For those having an enforced pause in operations I have included details on the budget and a range of economic and business indicators for the lab sector to help you develop your plan of attack for when you can get back to selling again.

Keep well and get in touch if there's anything I can help you with

Toodle pip
Jacqueline

In this month's issue...

Export group meeting hears horrors about transport post Brexit and during Covid-19

Peak freight prices likely to double during this autumn's peak Fred Osborn of Xpand Logistics tells March meeting



GAMBICA launches awards

Two new awards for young talent and industry contribution will be presented at the industry's annual lunch



GAMBICA

Lab Tech

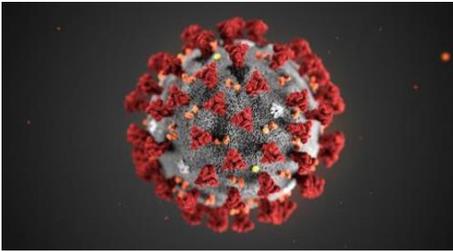
You give your views on DIT's export assistance

Using SPIRE is never quick and it's never straightforward say members



Covid-19 update

Latest on where you stand on keeping your business going along with comment, Government support and MRHA guidance



Assistance with your forward-planning

Details of what's in the budget, reviews of industry trends and much more



Two fast-growing GAMBICA members focus on quality

This month's member portraits are of Endecotts and LabCold.



UK News

Your feedback on Corona Virus and how it's affecting your businesses

(Feedback given after the budget and passed to the Government while they were putting together the latest wave of help for business).

GAMBICA members fall into two types; those who are supplying health or related businesses and who have order books which are full to overflowing, and those who are already seeing or who fear a melting away of orders. For the former, the major concerns are around how to keep their workforce able to work. For the latter, they are about how long the crisis will continue and how to keep operational until things bounce back.

Despite most firms having good stocks of essential components and raw materials, a common concern is how supply chains will continue to operate. It is not so much Chinese components and raw materials which are giving concern (there was a 5-6 week hiatus in supplies from China but consignments are now being received again) but those coming from Europe.

Recognising that many European countries are closing their borders or are preventing export of PPE from within the EU to outside it, GAMBICA members have been unanimous in their calls upon the Government to lobby hard to keep supplies moving within the EU.

Given worries about whether they will be able to continue to keep production lines going, members strongly support businesses supplying kit to those fighting the virus to be next in line after the NHS for access to testing kits. You would like to be able to ensure that staff without the virus do not have to self-isolate unnecessarily, or that staff incubating the virus don't pass it on to colleagues. Where such critical businesses need to operate in clean room environments, they should also be given preferential access to sanitisation equipment.

More concrete information would also be useful on the value of running double daytime shifts to reduce the number of people who need to be on the premises at the same time.

What you asked for:

The overriding fear has been that companies will have to shut down either because of the virus or lack of orders and will have much reduced income with nearly the same costs. While the majority of companies are normally profitable and do not operate on the kind of hand to mouth basis that some of the catering and leisure industry does, there is a recognition that with a major downturn in orders from the academic sector and many other industries staying at home, people can only get through by growing sales elsewhere, quite a big ask, or cutting costs and for the majority costs are mainly wages.

Members fear that the economic effects of the virus may be very hard to get over but the CBILs support offered by the Government has been very warmly welcomed.

Wages costs are a primary concern, since even those who felt able to continue to pay staff being temporarily laid off recognised that they cannot continue to do so indefinitely.

Concerns were raised that because SSP is around 20% of the Living Wage level those self-isolating will soon run out of funds for mortgage / rent and utilities.

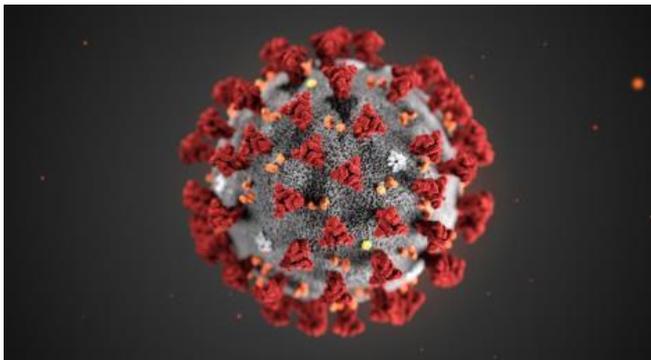
The main asks of the Government were therefore:

- 1) Support companies to help them continue to pay wages or provide direct support to those who are working short time or self-isolating
- 2) Increase in SSP to at least Living Wage levels
- 3) Improve systems to ensure wage support can be provided quickly to avoid civil unrest
- 4) Intercede with the insurance companies to encourage them to pay out without quibbling even where policies don't mention pandemics
- 5) Delay the April VAT demands, and move to monthly VAT payments thereafter.
- 6) Offer a National Insurance and PAYE holiday to reduce staff costs during these difficult times.
- 7) Defer council tax for companies not in the hospitality sector

If a viable method can be found, the Government is asked to encourage insurance firms to adopt a 'no quibble' approach to paying out on business interruption claims (of course then some support for the insurance industry may become necessary)

Some of this information was previously shared on the GAMBICA Lab Tech Members' Linked-in group.

Corona Virus update



Steve has sent out comprehensive information on all aspects of the Corona virus. If you didn't receive his bulletins let me know and I will send them across.

The key concerns for GAMBICA members currently seem to be whether your staff can be considered critical workers and whether or not you are obliged to close. I have set out the current information below along with information on the main financial support available, but as things are changing so rapidly, please do look at Steve's latest email for the most current information.

You might want to join the GAMBICA Lab Tech Linked-in group where people are sharing queries and answers... <https://www.linkedin.com/groups/12385518/>

Critical workers

We have created a document to give to your staff to help them retain their children's places at school please click [here](#) to download.

Staying open

The gov advice on going out to work has been further clarified: <https://www.gov.uk/government/publications/full-guidance-on-staying-at-home-and-away-from-others/full-guidance-on-staying-at-home-and-away-from-others>

This says:

As set out in the section on staying at home, people can travel to and from work, but only where the work they do absolutely cannot be done from home.

With the exception of the organisations covered above in the section on closing non-essential shops and public spaces, the Government has not required any other businesses to close – indeed it is important for business to carry on.

Employers and employees should discuss their working arrangements, and employers should take every possible step to facilitate their employees working from home, including providing suitable IT and equipment to enable remote working.

Sometimes this will not be possible, as not everyone can work from home. Certain jobs require people to travel to their place of work – for instance if they operate machinery, work in construction or manufacturing, or are delivering front line services.

If you cannot work from home then you can still travel to work, provided you are well and neither you nor any of your household are self-isolating. This is consistent with advice from the Chief Medical Officer.

Financial support available

1) Coronavirus Job Retention Scheme

Under the Coronavirus Job Retention Scheme, all UK employers will be able to access support to continue paying part of their employees' salary for those employees that would otherwise have been laid off during this crisis.

Employers will need to:

- Designate affected employees as 'furloughed workers,' and notify employees of this change. Changing the status of employees remains subject to existing employment law and, depending on the employment contract, may be subject to negotiation; and
- Submit information to HMRC about the employees that have been furloughed and their earnings through a new online portal. HMRC will set out further details on the information required.
- HMRC will reimburse 80% of furloughed workers' wage costs, up to a cap of £2,500 per month.
- HMRC are working urgently to set up a system for reimbursement. Existing systems are not set up to facilitate payments to employers. If your business needs short-term cash flow support, you may be eligible for a [Coronavirus Business Interruption Loan](#).

2) Deferring Valued Added Tax (VAT) payments for 3 months.

The deferral will apply until the end of June. This is an automatic offer with no applications required. Businesses will not need to make a VAT payment during this period. Taxpayers will be given until the end of the 2020-21 tax year to pay any liabilities that have accumulated during the deferral period. VAT refunds and reclaims will be paid by the government as normal.

(You can also defer filing your company accounts at Companies House for three months).

Income Tax payments due in July 2020 under the Self-Assessment system will be deferred to January 2021.

Income Tax Self-Assessment payments due on the 31 July 2020 will be deferred until the 31 January 2021. This is an automatic offer with no applications required. No penalties or interest for late payment will be charged in the deferral period.

3) HMRC Time to Pay

HMRC have also scaled up their Time to Pay offer to all firms and individuals who are in temporary financial distress as a result of Covid-19 and have outstanding tax liabilities. You can contact HMRC's dedicated Covid-19 helpline to get practical help and advice. This can be reached by calling 0800 0159 559

4) Coronavirus Business Interruption Loan Scheme

The new temporary [Coronavirus Business Interruption Loan Scheme](#), delivered by the British Business Bank, will support primarily small and medium-sized businesses to access bank lending and overdrafts. The government will provide lenders with a guarantee of 80% on each loan (subject to a per-lender cap on claims) to give lenders further confidence in continuing to provide finance to SMEs. The government will not charge businesses or banks

for this guarantee, and the Scheme will support loans of up to £5 million in value. Businesses can access the first 12 months of that finance interest free.

You can get your export licences from home

The Export Control Joint Unit (ECJU) is assuring exporters that your licence applications will still be processed during the current crisis and that there are no export licence compliance issues with your staff accessing UK export control regulated data from their home location using company-provided laptops. Processing applications for strategic export licences has been identified as a business-critical operation for the Department for International Trade.

You will still receive communication from ECJU via [SPIRE](#), including requests for any further information on individual cases. You will also receive licence decisions via SPIRE in the normal way.

The compliance / inspection programme will continue, although site audits will no longer take place. The ECJU has now moved to remote audits as a means to meet legislative requirements. Those sites due to be inspected soon have already been engaged so that your inspector is able to determine an effective communication route. Your inspector or one of the support team will be in touch to discuss how best a remote audit can be undertaken. Please ensure you are able to access your records, including supporting documentation, for exports made under the licence(s) you hold.

The ECJU Enquiry line (020 7215 4594) and email enquiries: exportcontrol.help@trade.gov.uk will still be accessible but with priority given to licence processing, the control list advice service and the end-use advice service may have to be stopped— please see any announcements on SPIRE. There will also be an impact on licence processing times if there are significant staff absences. The training programme has been closed.

MHRA offers fast-track approval of medical devices during COVID-19 outbreak

In this exceptional situation, MHRA may authorise companies to supply a non-CE marked device in the interest of the protection of health. This will be under [regulations 12\(5\)](#), 26(3) and 39(2) of the Medical Devices Regulations 2002.

Ventilators

First check the [specifications needed](#), then contact the DHSC for their approval on ventilation.challenge@dhsc.gov.uk. You can then apply to the MHRA for exemption from the regulations. If DHSC has approved your medical device you should send them your application for exemption.

Masks etc

If you manufacture other medical devices such as surgical (medical) face masks, examination or surgical gloves, send your application directly to MHRA. You don't need DHSC approval first.

Send your application to devices.compliance@mhra.gov.uk.

Include the following information in your email:

- details of the product(s) (including model name and descriptor)
- reasons why the product does not have a valid CE mark
- clinical justification for requesting an exemption from the regulations for the product
- explanation of any alternative products on the market and reasons why using these products would not be appropriate
- numbers of product likely to be supplied under the exemption, plus an indication of how widely used the product is
- expected time to gain/re-gain CE certification

Be aware that you are expected to have evidence that the device performs as intended. For example, performance data such as bench testing (including any that comply with a relevant standard – [harmonised](#) or other) and any study data you have.

To create more flexibility for manufacturers and availability of medical devices, MHRA would not expect to receive a request for derogation of a CE-marked device where there is limited change to its intended use. For example, changing its use from ward use to include intensive care use. However, you should perform a risk assessment and contact your notified body for advice in the first instance.

MHRA expects to receive a high volume of applications for derogations and will prioritise applications based on the needs of healthcare providers to increase the supply of critical devices and tests.

See [MHRA guidance on COVID-19](#).

Update on calls for new ventilators and test kits

Since Matt Hancock, issued his open call for UK engineering firms to help produce more ventilators and other medical equipment, the size of the response has taken the government by surprise.

Staff at the Department for Business, Enterprise and Industrial Strategy (BEIS) have logged all offers so far but have asked that no other businesses register for the time being. They are focusing on processing and taking forward viable offers from those received.

There was a request from some of the GAMBICA members who answered the call, for detailed designs rather than just a specification and this request was relayed to BEIS, but for now, where members haven't been contacted directly by BEIS it is suggested they offer to work with those who have been. If you are now working with BEIS please do let me know.

Now the government is turning its attention to test kits. Specifications for Covid-19 tests have been developed and will be made available as soon as possible. If you are a manufacturer of test kits, you are asked to complete a simple form ([click here](#)) and send it to Covidtestingtriage@dhsc.gov.uk, together with your performance data.

Penalty free extension to file your accounts

Companies House has announced you have an extra three months, penalty free, in which to file your accounts during the Covid-19 crisis.

It is also noted that some companies may need to change their registrations after we leave the EU. This will apply if you are a

- [European entity formed under EU law](#)
- [UK company with an EEA corporate officer](#)
- [UK company involved in a cross border merger](#)
- [EEA company](#)

Companies House has produced guidance [here](#) to help you find out whether your business will need to change its company registration and if so, how to do this.

Access to hospital sites during the Covid-19 outbreak

The Medical Industry's accredited national credentialing register, has published and is regularly updating information from hospital trusts about access during the current emergency.

You can access the list [here](#)

Celebrating your successes



The GAMBICA Member Awards are our way of celebrating the success of the people in our industry who have stood out in their achievements. We encourage member companies, working groups and GAMBICA staff to nominate employees of member companies throughout 2020, up to the 16th of October. The awards will be presented at the [Annual Lunch event](#) on 26th November 2020.

There are two categories of awards for which member companies can nominate their employees:

YOUNG TALENT AWARD

An award to recognise the rising stars in our industry, aimed at young people working in a GAMBICA member company who have shown exceptional talent, initiative and competence in their work.

INDUSTRY CONTRIBUTION AWARD

This award is to celebrate those who have contributed to the wider industry and the GAMBICA community as a whole. Aimed at those who have participated in collaborative efforts such as GAMBICA working groups, Standards committees, Regulatory consultations or other collective activities.

For more information, please download the [GAMBICA Member Awards Pack](#), which contains nomination forms for both awards.

DIT Expert Trade Advisory Group focusses on US trade deal and getting tariffs down



GAMBICA member, Richard Seuke, of Medical Wire, (here with Stephen Aldersley of Goodfellow) has been invited to sit on the Government's Expert Trade Advisory Group (ETAG) for the life sciences, run by the Department for International Trade (DIT). He reported on a recent meeting of the ETAG which had been seeking input on three areas:

- UK Global tariffs;
- the UK/US trade deal; and
- the EU/UK trade deal.

The overriding desire of the DIT was said to be to get rid of 'nuisance' tariffs below 2.5%, to round down other tariffs and to remove interim tariffs and all tariffs where there is no UK manufacturing of a product. It was pointed out by those present that cutting out tariffs below 2.5% would not eliminate the administrative burden as companies would still need to prove that their products qualify.

Information on how to find a product's commodity code was featured very heavily at the meeting. This is the link to find your [code](#).

Members at the meeting were roundly critical of DIT's references to the US as the UK's biggest trading partner and were unanimous in the view that the EU is by far the most important market for lab industry exporters. Richard reported that all speakers at the ETAG event had emphasised that chlorinated chicken and the NHS were not on the table in the FTA discussions with the US, but many of those present at the ETAG meeting seemed to feel that this statement was disingenuous.

The DIT is asking for feedback as to what 'real world' benefits a UK/US free trade agreement would bring and what we would like to see included. (If you have views on this please do drop me a line or give me a call so I can include them in GAMBICA's feedback to DIT.)

Your views of DIT's trade assistance

GAMBICA has been asked for input on what actions DIT could take which would genuinely improve members' ability to export. Those present at the most recent export group meeting expressed the view that much DIT advice, particularly with reference to issues such as exporting to sub-Saharan Africa, was general to the point of being useless. Others agreed that it is very difficult to get a 'straight answer out of DIT'.

Those present were more generally supportive of the Export Control Organisation but there was a general feeling that use of the SPIRE system is never quick and never straightforward. Under normal circumstances it is supposed to take 20 days to get an export certificate through SPIRE but it generally takes considerably longer than this and can take up to 6 months.

Positive comments were made about the work being done on trade missions, especially inward missions to the UK, more of which would be very welcome.

There was a desire for greater help with newer markets including Brazil and India. Reference was made to what was considered a very successful trade mission which brought various companies together and introduced them to the UK ambassador for Iraq. Although the intention was to encourage exports, the group recognised that the market in Iraq was very price driven and extremely difficult to access – which for them was a useful insight.

It was said that DIT representatives tend to deal with big companies and have relatively poor knowledge of the distributors and customers who would be of interest to the majority of GAMBICA's exporting members. For this reason, OMIS activities often produce lots of irrelevant contacts. The DIT has made life sciences one of its key target areas. This is good because it means that life sciences specialists are in place, unfortunately, many DIT life sciences commercial officers focus almost exclusively on the medical side of life sciences. This significantly

impacts on their capacity to be useful to the lab industry much of which is not medical and some or which is not actually life sciences at all. The non-life sciences aspects can gain very little attention from DIT.

The overall feeling was that GAMBICA members believe that if the Government is serious about its trade strategy to get companies with no experience of exporting to make the leap to becoming successful exporters to markets outside Europe, six main things need to happen:

- The expertise of the DIT commercial officers in helping SMEs needs to grow considerably.
- The constraints of the current primary target (such as life sciences) system must be relaxed.
- A single list of trade missions should be produced and circulated regularly.
- Action must be taken to reduce the very high turnover of staff in DIT offices.
- TAP funding must be continued and should be extended to more than the current 6 lives as even experienced exporters are dependent on finding new distributors and meeting their existing ones face-to-face. Attending trade shows is without doubt the most effective way of doing this, but the costs are high and support is needed to ensure exports can continue to grow.
- The general level of support to exporters needs to be raised to compare more favorably with what is offered in Germany.

The meeting at which DIT's performance was to be fed back has been delayed so you have time to let me have any additional views. Email or call – working from home means I am much more accessible! 07990 016421.

What's going on at DIT?



Richard Rumbelow, Make UK's trade expert gave delegates at the last export group meeting an overview of who's who at DIT and noted the downside of zero tariff rates. "If you set a zero tariff you can't take any action against any importers by means of trade remedies – whatever they are doing to the market. We urgently need a Trade Bill to set out trade strategy and policy but the role of Parliament in relation to scrutiny of trade policy isn't yet decided."

The framework for trade between the UK and the US is expected by late summer but could be affected by the US elections. Then work will begin on Free Trade Agreements with Australia, New Zealand, Switzerland, Norway, Turkey, the EU, Japan and South Korea. If you use market access preferences such as reduced tariffs or administration, these will be lost at the end of this year.

GAMBICA members present asked whether, when the aspiration to reach 35% exports was set out by the Government, any thought was given to the amount of help other countries give to their exporters and whether

this could be emulated in the UK. Richard responded that a real growth in help for exporters was unlikely while DIT's budget remained lower than DFID's.

"We have to get away from the Gin and Tonic method of facilitating international trade," he said, but on a pragmatic note suggested that those present review the useful documents issued by the Government last year for use in the case of a no deal Brexit.

He also emphasised the very major impact of the UK losing its 'data adequacy' status and becoming a 'third state' in the eyes of EU countries in relation to the processing of data. "You will have to inform all customers about how you hold their data in the UK, he noted: "Make UK has further information available on its website in relation to data concerns post 1st Jan 2021.

He also reported that if you travel to the EU for work post January 2021 you will have to have documentary evidence that you will be paying social security while you are there and give evidence of where you will be staying, and of any professional qualifications you will be using during your stay as we will be losing mutual recognition of professional qualifications.

Jan 2021 export process, declaration format and data fields remain unknown



Fred Osborn, CEO of [Xpand Logistics](#) and on the board of the International Freight Association, told the export group meeting in early March, that in common with other freight forwarders, he was concentrating on working out how to cope with an exit without a deal on 31st December as this now seems the most likely scenario as well as being the worst-case scenario against which it is sensible to stress test all their plans.

Questioned as to whether he thought another delay might be possible Fred said: "Everyone says no – but Corona virus may just give the Government a get out of jail free card".

Focussing on the expectation that trade with the EU will revert back to World Trade Organisation terms, Fred pointed out that Dover has had no customs for 30 years and no land is available there to build customs sheds. 600 trucks come through Dover per hour. If 5% are checked that's 30 trucks per hour – where will this be done? 50,000 new customs and border force staff are needed and will have to be trained. There is lots of land in Calais but the French also need to be up to speed – and here we are relying on the French.

Some form of customs declaration will need to be ready for 1st Jan 2021 for both export and import but the final process, declaration format and data fields are not yet known. At the same time, the old but effective CHIEF on-line customs system is being replaced. It was recognised that it could not cope with the increase in throughput required (currently there are 55 million customs declarations per annum, this will rise by an additional 200 million post Brexit). The new CDS (Customs Declaration System) system, is not yet in place but will allow retrospective clearance. The freight industry, concerned about the UK Government's track record in delivering functioning IT systems on time, has lobbied for the CHIEF system to remain in operation even after the CDS is switched on. According to Fred, the re-introduction of regulatory controls – what they will be is not yet known – will inevitably cause an increase in freight forwarding charges. The freight industry is also looking for additional staff to cope with the inevitable surge in administration. One freight company took on large numbers of extra staff in India for the last Brexit date, then let them go, and are now having to re-recruit and re-train.

Most goods travelling from Ireland to the EU come through the UK with trucks picking up UK goods along the way. This means that trucks will have transit documents as well as customs forms and if any of those shipping goods has failed to get the correct CE Mark etc, their documentation will be incorrect and the whole shipment will be delayed – with the inevitable blame and cost allocation.

Logistics and the Corona Virus

China has not been sending goods to the UK because of the virus, so there is a serious lack of available tonnage making the return trip – and it's getting very difficult to send goods east for UK companies. Similarly, with so many flights being cancelled for lack of passengers, the airfreight option has also been curtailed. Specialist air freight companies not dependent on selling passenger seats can offer some increased capacity – but prices are rising fast.

Fred warned: "The peak of imports to the UK is August to November and the peak this year is likely to be huge and therefore some freight companies are already introducing surcharges. Rumours are that westbound rates have doubled and eastbound rates are up by 50%. I strongly recommend you hold some increased stock – we have a Basildon warehouse with some space but it's being taken very quickly."

GAMBICA members reported that they are already experiencing difficulty in getting containers to ports in the east with one having an urgent consignment to Japan delayed until 6th April because of a lack of any available space. "It will take months to get schedules back in sync because so much of the tonnage is now out of place. I don't expect full schedules to be available before June," Fred said on 9th March.

China's use of analytical instruments falls in 4th quarter of 2019

The latest issue of the joint ALDA-JAIMA-EUROM II Global Laboratory Analytical Instruments bookings report shows that while European bookings picked up in the last quarter of the year, after a rather poorer performance in quarter 3, China's performance fell off in the final quarter of the year.

It is likely that Covid-19 played a part in this and it is possible that Europe's performance will be similarly affected in Quarter 1 of 2020.

Total laboratory analytical instrument business

Regions

Quarter 4 2019

Quarter 4, 2018

North America	907,696	876,791
Europe	866,054	854,518
Japan	344,190	330,350
China	734,040	742,452
Rest of the World	313,657	325,011
India	131,011	131,699
Latin America	88,013	111,632
Total	3,384,661	3,372,453

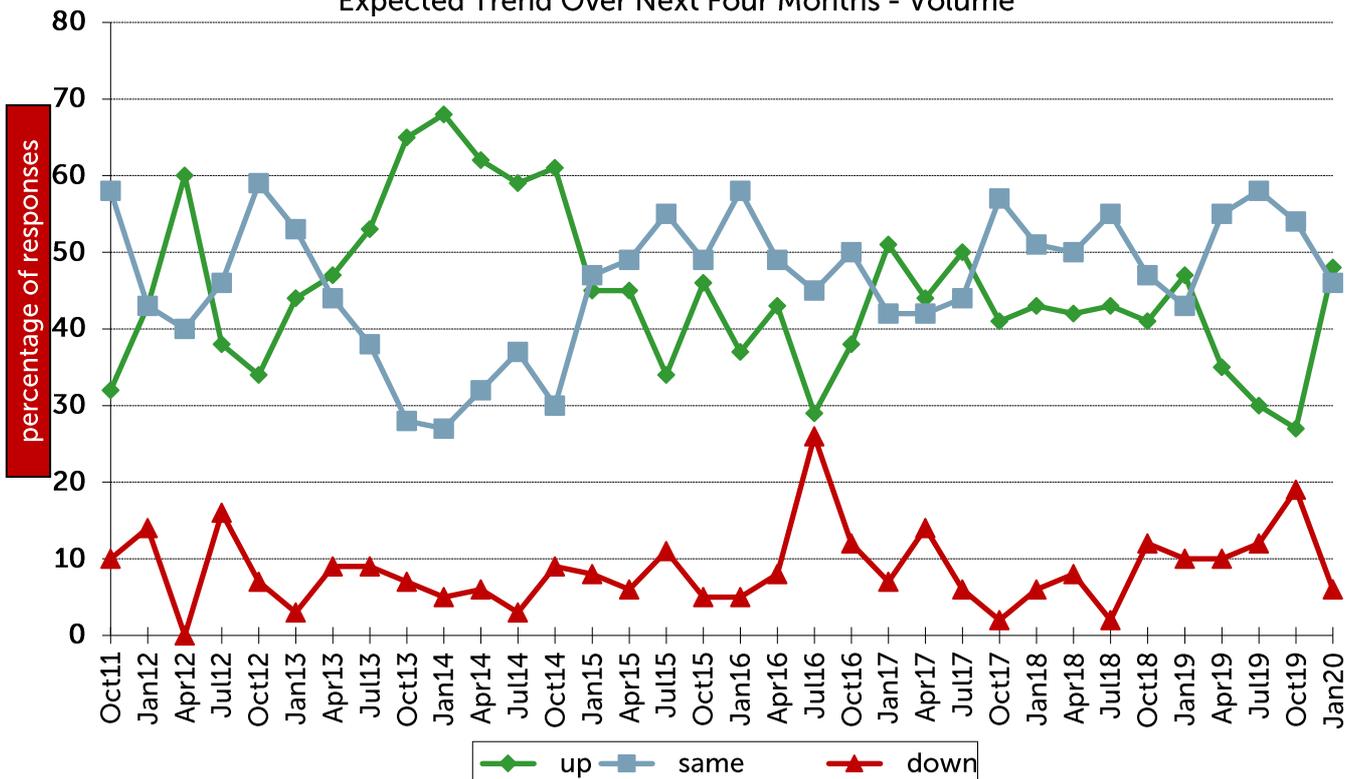
The report is generated by Withum Audit, Tax, Advisory on behalf of the American Japanese and European Lab Trade Associations.

Latest information on business sentiment, GDP and employment

The GAMBICA trend survey which was circulated in January to all those who provided data shows that sales for the coming period were already giving cause for concern in January

GAMBICA Trend - Overall Industrial Sector

Expected Trend Over Next Four Months - Volume



The full results of the trend survey are available to all those who input their data. Make sure you complete the forms sent out by Helena to get your copy as soon as it's published.

GDP falls

Prior to the widespread outbreak of the Corona virus in the first quarter of 2020, growth of real gross domestic product (GDP) in the G20 area had already started to slow, falling to 0.6% in the fourth quarter of 2019, compared with 0.8% in the previous quarter, according to provisional estimates in a report by the OECD.

GDP contracted sharply in Japan (- 1.8%, following October's increase in consumption tax). It also contracted in South Africa (- 0.4%), Italy (- 0.3%) and, (- 0.1%), in France and Mexico.

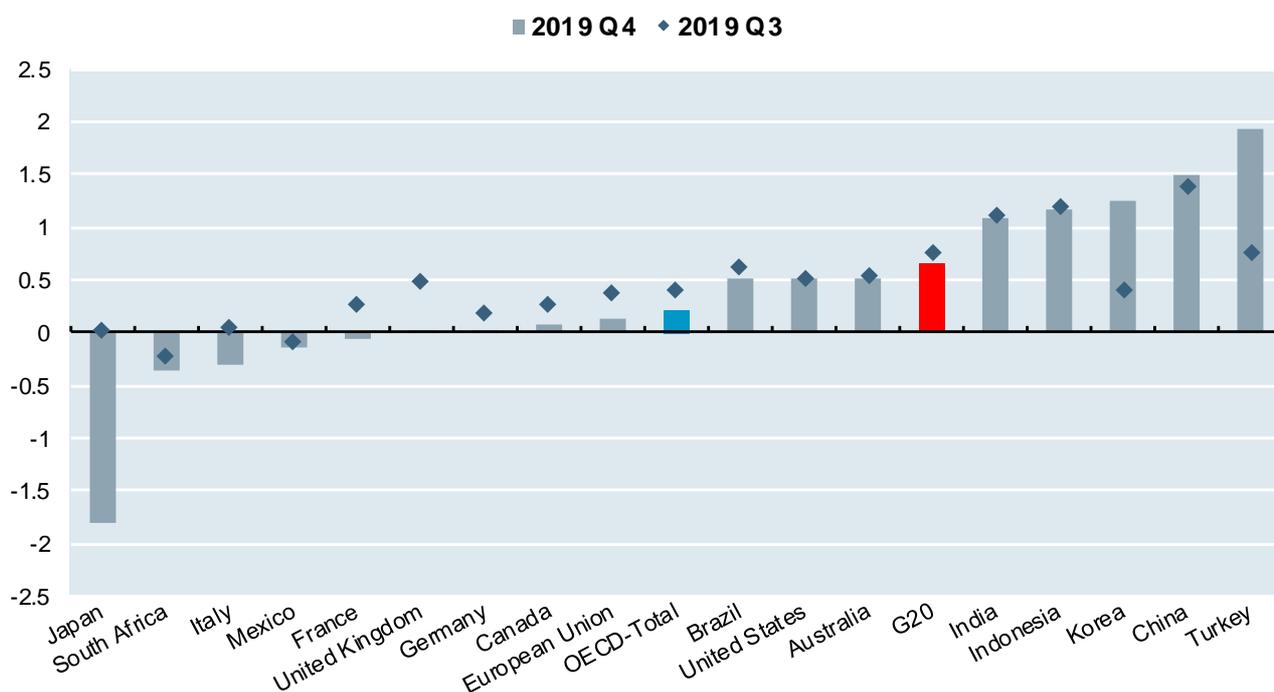
GDP growth slowed significantly in the United Kingdom (to zero, following growth of 0.5% in the previous quarter). It slowed more moderately in the European Union (to 0.1%, from 0.4%), Canada (to 0.1%, from 0.3%), Germany (to zero, from 0.2%), and, marginally, (to 0.5%, from 0.6%), in Australia and Brazil.

On the other hand, GDP growth picked up significantly in Turkey (to 1.9%, from 0.8%) and Korea (to 1.3%, from 0.4%), and more moderately in China (to 1.5%, from 1.4%). Growth was stable in Indonesia, India and in the United States (at 1.2%, 1.1% and 0.5%, respectively).

For 2019 as a whole, real GDP growth in the G20 area slowed to 2.9% (from 3.7% in 2018), with China recording the highest growth (6.1%) and Mexico the lowest (minus 0.1%). Annual growth also slowed in the OECD area, to 1.7% in 2019 (from 2.3% in 2018), with Ireland recording the highest growth (5.5%) and Mexico the lowest (minus 0.1%).

Quarterly GDP in volume terms for the G20 economies

Percentage change on the previous quarter, seasonally adjusted data



And unemployment rate nudges up to 5.1% in January 2020

The unemployment rate increased by 0.1 percentage point, to 5.1%, in January 2020. Across the **OECD** area, 32.9 million people were unemployed.

In January 2020, the unemployment rate rose by 0.4 percentage point in **Mexico** (to 3.6%), by 0.3 percentage point in **Korea** (to 4.0%), by 0.2 percentage point in **Australia** (to 5.3%) and **Japan** (to 2.4%), and by 0.1

percentage point in the **United States** (to 3.6%). By contrast, it decreased by 0.1 percentage point in **Canada** (to 5.5%) and was stable in the **euro area**, at 7.4% for the fourth consecutive month.

More recent data for February show that the unemployment rate decreased by 0.1 percentage point in the **United States** (to 3.5%) and increased by 0.1 percentage point in **Canada** (to 5.6%).

Agency worker changes delayed

The rollout of IR35 changes to private sector off-payroll rules has been delayed as part of the government's response to the Corona virus outbreak.

Speaking in the Commons, Steve Barclay, chief secretary to the Treasury, said the changes to IR35 due to come into force at the start of April would be pushed back a year and would now begin on 6 April 2021. "This is a deferral in response to the ongoing threat of Covid-19 to help businesses and individuals," he said.

It's good to be bad tempered

Some risk factors for Alzheimer's disease, the main cause of dementia in the elderly, are well known, including hypertension or diabetes, but the potential role of non-biological factors is beginning to be discovered.

Scientists from the University of Geneva (UNIGE) and the University Hospitals of Geneva (HUG), Switzerland, demonstrated, through brain imaging and psycho-cognitive evaluations conducted over several years on a community-based cohort of elderly people, that certain personality traits protect brain structures against neuro-degeneration. Among them, people who are less agreeable but with a natural curiosity and little conformism show better preservation of the brain regions that tend to lose volume, both in normal aging and in Alzheimer's disease.

People who are unpleasant, who are not afraid of conflicts and who show a certain anti-conformity have better protected brains. In addition, this protection takes place precisely in the memory circuits that are damaged by Alzheimer's disease.

The full article can be found [here](#)

The Corona virus budget



In addition to the initial bout of help to deal with Corona virus, the budget was noticeable for its impact on business.

Bank of England base lending rate cut by 50 points to 0.25%

Despite rumours to the contrary, entrepreneurs' relief will not be scrapped, although the lifetime limit has been cut from £10 million to £1m. The changes will apply immediately for disposals and the £1m limit includes previous disposals which benefited from the relief, so if an entrepreneur had already made disposals of £1m or more they will have exhausted the limit. The change is being introduced in response to evidence that the relief has done little to incentivise entrepreneurial activity and that most of the benefit accrues to a small number of very affluent taxpayers, the Chancellor said.

National Living Wage

The National Living Wage is to be raised to an amount equal to two-thirds of median earnings and extended to workers aged 21 and over by 2024. However, this comes subject to the caveat that it will only happen if economic conditions allow.

National Insurance breaks

A number of changes to National Insurance (NI) were announced but they will not have a substantial impact on most businesses. The increase in the employment allowance from £3,000 to £4,000 will be restricted from 6 April 2020 to organisations with an NI bill of not more than £100,000 in the previous tax year.

There will also be an increase in the National Insurance Contributions (NICs) primary threshold and lower profits limit, to £9,500 from 6 April 2020, saving the typical employee around £104 and a typical self-employed person around £78 in 2020-21.

There will be a NICs holiday for employers of veterans in their first year of civilian employment. There will be a phased introduction of the provisions, with a full digital service available to employers from April 2022 and transitional arrangements effectively introducing the relief from April 2021. The impact will make a veteran's salary NIC-exempt up to the upper earnings limit for the first year of civilian employment.

Company cars

In the 2017 autumn budget, the government introduced measures which stated that, for the purpose of calculating company car tax and related charges, the CO₂ emission figure produced under Worldwide harmonised Light Vehicle Test Procedure will be used for all new cars registered from 6 April 2020. This was accompanied by the announcement that the New European Driving Cycle figures should be used to calculate company car benefits where more than one emission figure is recorded, until April 2020.

The effect will be a small reduction in the taxable benefits for most drivers with company cars registered from 6 April 2020. However, this will be clawed back with rates returning to previously planned levels over the following two years, increasing by 1 per cent in 2021-22 and 1 per cent in 2022-23. Rates will then be frozen for one year until 2024-25. So, this represents a small short-term benefit for company car drivers.

As expected, from 6 April 2020, fuel benefit charges and the van benefit charge will increase in line with the consumer prices index.

The Treasury also said £500m will be invested in supporting installation of new electric vehicle charging infrastructure over the next five years to help to facilitate a shift away from "polluting vehicles".

Part of the government's £500m investment will be made available to businesses through a 'rapid charging fund'. The Office for Low Emission Vehicles, is to undertake "a comprehensive review" of electric vehicle charging infrastructure to ensure the funding is targeted effectively. The government said the investment: "Will ensure that drivers are never more than 30 miles from a rapid charging station".

Also confirmed in the Budget were fresh 'plug-in' grants – for cars, vans, taxis and motorcycles respectively – worth more than £530m. Those grants are designed to incentivise consumers to switch to electric vehicles and will apply up to 2022-23.

However, those driving zero-emission vehicles will not suffer taxable benefit on their cars in 2020/21. Given that employees can still exchange taxed salaries for a tax-free zero-emission vehicle, this presents an opportunity for companies to offer environmentally-friendly vehicles in a very cost-effective manner.

Health and wellbeing

The tax relief on counselling services provided to employees has been extended to include related medical treatment, such as cognitive behavioural therapy, when provided to an employee as part of an employer's welfare counselling services. The changes will take effect from April 2020.

Sources of support and advice: The Business Department (BEIS) will lead the development of 'a digital service to provide businesses with tailored information about appropriate sources of support'.

An additional £10 million for England's 38 Growth Hubs, 'to provide high quality business advice and guidance'. £13 million for the British Library's network of Business and Intellectual Property Centres, giving free access to advice, market intelligence, intellectual property workshops and one-to-one coaching. £5 million for the 'Be the Business' scheme.

Regulatory reform

The Reforming Regulation Initiative was launched, a three-month consultation inviting businesses to proposed regulatory reform now that the UK is outside the EU: <https://www.gov.uk/government/consultations/reforming-regulation-initiative> The initiative runs parallel to the EU trade talks.

International trade

The Northern Powerhouse, Midlands Engine and Western Gateway will have champions at 'key overseas posts'. There will be additional independent trade advisors outside London, and UK Export Finance will provide extra support for exporters in the North of England and Scotland to firms that are focused on clean growth. A digital trade network will be piloted in the Asia Pacific Region, at a cost of £8 million.

Apprenticeships

The government will ensure that sufficient funding is made available in 2020-21 to support an increase in the number of new high-quality apprenticeships in small- and medium-sized businesses.

Research

At least £800 million is to be spent on a new 'blue skies funding agency', modelled on the Advanced Projects Research Agency (ARPA) in the United States.

R&D Expenditure Credit

Is raised from 12% to 13%, at a budgeted cost of £1 billion over four years. Also, the Government will consult on whether to include investments in data and digital computing. There will be £900 million for nuclear, space and producing electric vehicles. The reference to 'commercialising nuclear fusion technology, offering potentially limitless clean energy', may signal nuclear as a key element of 2050 net-zero carbon strategy, which is seldom publicly discussed.

The **Energy Innovation Programme** is to be at least doubled.

A **plastic packaging tax** will come into force in 2022 for plastics that are less than 30% made from recycled plastic. Rate set at £200/tonne. The British Plastics Federation has urged consultation aimed at a more effective intervention.

Levelling up and getting Britain building

Measures are budgeted to cost £64 billion over four years. A National Infrastructure Strategy is to be published this spring. £27 billion between 2020 and 2025 for the second Road Investment Strategy (RIS2).

British Business Bank

This is the state-owned bank which works with lenders and is behind initiatives such as the Enterprise Guarantee Scheme.

- **The Coronavirus Business Interruption Loan Scheme:** An additional £1bn on top of existing support offered through the Bank. It will operate in much the same way as the current Enterprise Finance Guarantee but on more attractive terms for both businesses and lenders. Guaranteeing 80% of loans up to £1.2 million.
- **Start Up Loans extension:** Funding for Start Up Loans extended until March 2022. Expansion of programme be set out in the Comprehensive Spending Review. Allows up to 10,000 more loans to new and early stage businesses. To date, the scheme has made over 69,000 loans worth over £560m.
- **Further support for innovative high growth firms:** £200m for 2020/21.
- **Life Sciences Investment Programme:** £200m for the BBB, with private sector investment expected to contribute around a further £400m, for innovations in health technology and life sciences.

National Insurance (NICs)

Threshold raised to £9,500, with a stated ambition of raising it to £12,500.

Confirmation of revised off-payroll working rules (**IR35**), despite strong lobbying by some self-employed groups.

Corporation tax

Held at 19%.

Structures and buildings allowance

Annual rate rises to 3%, effective April 2020.

Employment Allowance

Raised from £3,000 to £4,000, allowing businesses to employ four full-time employees on the National Living Wage without paying any employer National Insurance contributions (NICs).

EU and EEA migrants

Those arriving under the new immigration regime from January 2021 will have to pay for access to the NHS in the same way as migrants from other parts of the world.

Education

£1.5 billion over five years for Further Education colleges.

£120 million for eight new Institutes of Technology, previously announced.

£91 million for investment in equipment and facilities by providers of T-level training from autumn 2021.

Crown preference:

Re-instatement of Crown preference, in which the government takes preference over payment to creditors in the event of a company failing, deferred from April to December this year. Measure extended to Northern Ireland. HMRC is to improve help **to self-employed** people, to 'navigate the tax system'. Starting this summer. And additional support for self-employed parents will be considered, as part of a wider review of parental pay and leave.

Additional staff for the **Time to Pay** – firms wanting to defer tax payments.

Gas: 20% increase in gas tax, to encourage shift towards electricity.

Business rates review

Fundamental review of business rates launched, to report in the autumn. A call for evidence will be published this spring.

Enterprise Management Initiatives scheme (for employee share options)

Being reviewed, may be extended. <https://www.gov.uk/tax-employee-share-schemes/enterprise-management-incentives-emis>

VAT Postponed Accounting

From 1 January 2021 postponed accounting for VAT will apply to all imports of goods, including from the EU. This will provide an important boost to those VAT registered UK businesses which are integrated in international supply chains as they adapt to the UK's position as an independent trading nation.

Booking for Lab Innovations



(Kirsty and Sonia at last year's Lab Innovations)

Those already planning how to get out and about as soon as possible when the current crisis is over, might be interested to take advantage of the exclusive member discount for space at Lab Innovations. You can save 15% on your stand rate for Lab Innovations 2020 which will take place on the 4th and 5th of November. Sadly, I see no offer of a firework party at the event but the organisers do promise that the event will give you the opportunity to build that all important pipeline for a strong 2021. They say that by securing your space early you will get immediate digital exposure as well as marketing and PR support to keep you connected and engaged with key lab professionals in the coming months. [Enquire to exhibit today.](#)

Ban on exporting PPE from the EU

A number of members have been adversely affected by an export ban on all personal medical protective equipment (PPE) issued by the German government on March 6th. This made it problematic for those with warehouses in Germany to fulfil orders. Fortunately, the national export ban has now been lifted.

On March 14th the EU published an [implementing act](#) to ensure that the availability of supplies of PPE is ensured throughout the EU. Exports of PPE to third countries are now subject to an export authorisation by the Member States but PPE can freely be brought to other EU member states. PPE covers equipment such as masks, protective spectacles and visors, face shields, mouth-nose protection and protective garments.

The implementing act will be valid for a six-week period. However, there are still some uncertainties such as the status of the UK during the “post-Brexit” transition as well as the status of the EFTA-states when it comes to exports of PPE.

Obsolescence and electronic component sourcing

GAMBICA’s standards guru, Andy Evans, presented feedback from GAMBICA members at the recent International Institute for Obsolescence Management (IIOM) members’ meeting. The IIOM has a broad membership of experts in electronic component sourcing.

The IIOM is keen to organise a joint meeting possibly in late summer/early September including presentations by solution providers and a panel discussion.

They have many solution providers including:

- www.corfin.com – re-conditioning components either harvested from old boards or old stock.
- <https://www.rocelec.com/services/manufacturing-services> - manufacturing obsoleted components.
- www.gmp.gmbh – component obsolescence management software.

It is a growing science; IEC 62402:2019 provides requirements and guidance for obsolescence management applicable to any organisation that is dependent on another organisation to obtain value from the usefulness of the items that it provides. The IEC conformity assessment scheme, IECQ are looking at certifying to this obsolescence standard.

Would you be interested in attending such a meeting? If so, do let me know.

Export News

Digital tool for exporters of goods from the UK

The Department for International Trade has launched ‘[Check How to Export Goods](#)’, a new digital tool to help UK businesses trade with over 160 markets around the world. The free tool will help you easily find and understand what is needed to export goods internationally. It provides product-specific and country-specific information on tariffs, regulations, the UK border and other topics all in one place. It will be updated regularly to reflect any changes to trading arrangements.

Impact on Chinese trade flows of Covid-19 may provide indications for UK industry

It is clear that the outbreak of Covid-19 and the controls imposed by the Chinese authorities have had significant impact on trade flows between the UK and China. To understand how sizeable, the China-Britain Business Council conducted a comprehensive survey of UK companies engaged in both the export and import sector between 26th February and 3rd March.

Key findings:

1. Only 23% of respondents have a negative view about the long-term prospects for China's economy and most expect it to recover in the remaining months of 2020. Short-term sentiment is different, however: 60% of respondents have negative expectations for the next three months.
2. Small and medium-sized enterprises are the most worried market segment. Firms operating in the education sector formed the largest group of survey respondents, suggesting they are among the biggest sufferers.
3. Businesses that import from China are more likely to make changes to their business model, such as shifting their supply chains. Only 3% of exporters plan to shift their long-term focus away from China, but nearly one-third of importers are planning to look for new suppliers outside of China.
4. Two-fifths of survey respondents reported cash flow challenges. Fixed costs and unpaid receivables are particular problems for UK companies. 56% say they would in principle welcome support from the government.
5. Importers are suffering from reduced logistics capacity more than exporters. 62% of importers reported problems with freight deliveries compared to only 27% of exporters facing similar issues.
6. Legal issues and customs clearances are still relatively minor problems, but importers are struggling with transport bottlenecks. Over two-thirds of respondents (67%) reported no legal issues. Only 11% of exporters have faced problems with Chinese customs services.

UK distributor sought by Turkish water bath manufacturer

Labo Inc is a manufacturer of:

- Refrigerated and heating circulators (-80 / +250 °C)
- Water baths (non-circulated / bain-marie)
- Calibration baths ($\pm 0,01^{\circ}\text{C}$ stability-homogeneity)
- Charpy cooling baths (very important for V-notch tests)
- Cloud point and pour point test baths (fuel-petroleum-naphtha-biodiesel and etc. tests)
- Kinematic viscosity bath
- Laboratory type chiller (1 kW cooling capacity, cooler for 6 pcs soxhlets)

They would like to distribute their products in UK and are seeking a partner. If you are interested, please drop me an email: Jacqueline.balian@gambica.org.uk

Don't forget we are leaving the EU!

All the GAMBICA EU Exit resources are regularly updated and all the new and relevant guidance that has recently been circulated by email for members is in the **My GAMBICA** members area of the website [here](#).

The previous guidance on no-deal Brexit from 2019 has been archived but can still be accessed from a link on the page.

If you do not know your password, please click on the Forgotten your password? Link

Legal News

Are you managing your product liability risks?

Boring and mundane processes and systems for minimising product liability and risk which firms assume are in place, often turn out to be missing when they come to an audit, says legal firm Pinsent Masons.

These are the gateways that allow poor product into the field and product risk to escalate even to the point of causing recalls. This is what you should be doing.

Contracts

- Review sale and purchase terms at least every three years.
- Review your implementation systems to make sure terms are likely to be incorporated and you know when they are not.
- Have exception reporting where your terms are rejected.
- Audit supplier & customer contracts regularly to check that:
 - your terms are agreed/incorporated in fact;
 - if not agreed what terms you have contracted on;
 - identify key suppliers and customers and focus on these;
 - evaluate the risk posed by given suppliers/customers not contracting on your terms; and
 - evaluate supplier credit worthiness/insurance backing.

Systems

- Have a responsible manager to undertake and document product risk assessments and implement/evaluate risk control systems.
- Regularly assess the risks that your product might pose.
- Are there effective and complete systems addressing the main risk areas posed by the product for safety and recall purposes?
- Audit your R&D, suppliers, goods inward, work-in-progress (WIP) and finished goods recording, sampling, traceability and quality assurance (QA) systems – are they demanding enough?
 - are they documented in a structured way and for sufficient time periods?
 - are samples, QA and R&D records retained in a structured way?
 - are critical suppliers quality audited at the outset and periodically?
 - are sampling systems in place and statistically valid?
 - is good traceability maintained from supplies, through production and to end customer?
 - are processes and product requirements documented and observed in production?

Product crisis planning

Plan for a product crisis in advance. Have a team which is familiar with the issues and is trained. Have a crisis plan with pre-developed materials and think about a communications strategy.

Capture field and factory information about faults: what are they, how many are there, when were they discovered, what are the batch details? Collect as many samples as possible, take photographs, find inspection reports, identify common factors, identify the affected population.

Beware of admissions in internal or external documents, including emails, before position is established and advised on. Once enough information is available assess the likelihood of injury and the likely severity.

Once there has been a risk assessment and lawyers have advised, consider whether you are obliged to notify a regulatory. Be prepared to advise what corrective/recall action is being taken and why or why none is appropriate.

Involve your lawyers from the start to guide on:

- safety and recall obligations;
- use of privilege to avoid open admissions that can be used against you;
- use of privilege to cloak fault investigations;
- documenting fault and scale for loss recovery or defence purposes;
- clearance of PR releases/announcements/recall notices.

Get advice from others including, Press Relations, Insurers and the wider team. If the issue is likely to be large scale or serious, involve PR professionals to support communication with press, customers and government. Ensure that a point of contact for all media enquiries is established and brief all staff, including those answering phones, to direct all queries to the point of contact. Consider material to include on website. Notify any liability or recall insurers urgently. Seek to keep insurers abreast and bought in to any recall activity. Assemble a senior crisis team to be responsible for and to coordinate the handling of the issue. Consider quarantining product that is suspect in a factory, warehouse or distribution chain while information is gathered and assessed.

Recover and store in conditions where it will not degrade fault examples or all recalled product if possible and practical to evidence any recovery claim.

Company News

Endecotts - The art of jumping through hoops



Occupying a beautiful art deco building in a rapidly gentrifying area of South London [Endecott's](#) MD Adriaan Stander must be constantly worried about the encroachment of loft development companies. The business has been in its present accommodation since 1965 although the building itself was put up in 1936.

A successful and growing business, Endecotts both looks after and enjoys its building and occupies it to the max. Its business of selling mesh and sieves has grown rapidly after a management buy-out and acquisition by the Verder Scientific group which also owns Carbolite Gero.

“Being part of a bigger company which is happy to invest in its subsidiaries has allowed us to really focus on what we are good at, while using their support for R&D and marketing.” says Adriaan. “We feel that marketing is not a side show job. You need to give it real attention and so we take advantage of our group marketing and sales as well as having UK staff dedicated to that too. People buy from us but that’s essentially passive and we recognise that we need to do more active selling, and we need more and more active distributors. We are concentrating on growing in countries where there isn’t a large home-grown sieving producer and our parent body is helping us to grow in China, Russia, India and Brazil.”

“But having a parent body with a wider view of the market has helped us develop our strategy too. That’s what I was put into my current post for – to develop a strategy to take Endecotts to the next level.”

Adriaan recognises the value of getting involved in standards development. “We want to move into new markets and grow faster but markets can have different challenges. The US in particular is difficult: “whoever wrote their standards certainly did it with an eye to eliminating the competition.”

The emphasis on marketing and sales has helped Endecotts get closer to their users which Adriaan says has helped them to re-educate themselves. When you actually see what people are using the equipment for in industry it gives you ideas about how to develop exactly the right product to meet their needs – or sometimes can help you to grow your sales in unexpected ways.

Adriaan points to a pharma client who they were able to help double the output of usable material. The material was turning to liquid below a certain particle size so they changed them over to using stacks of sieves of increasingly fine mesh size which prevented blinding of the sieves and introduced rubber balls to help break up the material without allowing it to become too fine too quickly.

If sieving could become a valuable part of your process get in touch, Endecotts have the largest range of sieves you could ever imagine.



Labcold - the Lab Industry's coolest manufacturers



[Labcold](#) Medical and Scientific Refrigeration developed a huge amount of expertise in medical refrigeration, including adapting blood banks for use by the armed forces during the first Gulf War, but, it had a problem – people didn't know their name in the pharmacy sector. In a market dominated by big brands such as Liebherr & Lec, they would often face the objection: "I've never heard of you."

A top priority for the Basingstoke based manufacturer with over 80 year experience providing laboratory equipment was to get people to know and recognise their brand.

"It's about influencing," says Ann Dennard who has been working on Labcold's marketing for the last decade.

"We assess our success by the amount of followers we achieve in key demographics. We have seen a marked increase in sales of pharmacy fridges as a result of our social media efforts. In 2009 we had 20% of the market, now we have 60%. This has also been an education job because we need pharmacists to understand why they can't just use a domestic fridge which is true for vets and doctors' surgeries too.

Although anyone in the Lab industry who uses twitter will certainly have seen a Labcold penguin, their current level of awareness wasn't solely achieved via social media. "We started off by running advertising in all the trade press. With the decline of print, the early adopters moved to social media and we started with twitter and Facebook in 2011/12."

Dealing with complaints is always an issue on social media and experts often suggest you should try to take complaints off social media and deal with them privately. Labcold's MD, Michelle Rogers doesn't subscribe to this doctrine. She prefers to deal with complaints, however malicious or embarrassing in the light of day. "If something has genuinely gone wrong, then you want people to see that you deal with that, and if it's someone complaining that a fridge doesn't work which you can see is absolutely ancient- then people can see that too."

Because Basingstoke is an area of very high employment, finding the right skills is a constant battle and Michelle Rogers has taken full advantage of the funding which is available for training apprentices to take on new staff. Labcold has apprentices in its sales, customer service, accounts and logistics teams all through Basingstoke College of Technology.

Because of the climate crisis, Labcold have been looking very seriously at their environmental performance. They have made inroads with their packaging, eliminating the use of polystyrene and finding polyester alternatives for non-biodegradable strapping, plus looking for greener gases and insulation for the products.

GAMBICA

Lab Tech

Of course, at heart, sustainability is synonymous with quality. Good quality products will last longer and operate more efficiently and the pursuit of quality which caused Labcold to review and completely change its supply chain.

Michelle Rogers observes “There was constant variability with quality when we primarily sourced from Asia. We would go out there and things would pick up for a while, but as soon as our suppliers felt that our backs were turned the quality would drop off again. We had to employ someone to monitor the quality and decided it was not sustainable. Cabinet production was therefore moved to an ISO9001 certified European factory which reduced the carbon footprint, has superb quality management systems and consequently provides Labcold and its customers with a superior product. For example, this partnership has allowed us to develop a new range in independently certified ATEX fridges and freezers. Launching this Spring, they will be competitively priced and because of our European sourcing, of extremely high quality”

In fact, the only thing they do source from China now are the Labcold penguins – and there is concern that due to Covid-19 they may soon be in very short supply.



Michelle Rogers, MD and Ann Dennard of Labcold

