

L@b Brief | January 2022



THIS MONTH we have been hearing about delays in the UK court service which mean that cases are waiting longer to be tried. Many victims reporting crimes in the last six months will have to wait until 2023 to get justice. We have also heard about a dizzying number of parties being held during lockdown at No 10 - revealing a drinking culture today in Downing Street among civil servants which would appear to rival that of Fleet Street in the late 1970s.

Meanwhile, despite all the rhetoric about the priority the government is giving to foreign trade, our unweildy and chronically understaffed export control system, has had its burdens increased by the full inclusion in its workload not only of applications for exporting to Europe, but to China too.

It would appear that no thought has been given to the consequences of giving hundreds, perhaps thousands of additional export licence applications to civil servants who are already apparently 30% understaffed. Which leaves British businesses, and most importantly GAMBICA members, suffering from market threatening delays.

This month we have taken your worries to Paul McComb director of UK exports at DIT. He said he was unaware of the issue. Which is surprising because we hear on the grapevine that DIT has been complaining vociferously about lobbying on the subject.

I hesitate to quote Michael Jackson but when it comes to skilled staff at ECJU, I don't think we are going to stop 'til we get enough.

Toodle pip!

Jacqueline

INSIDE this MONTH



Refrigeration labelling consultants hit data wall

Latest meeting of EU's Eco Design and Energy Labelling Regulations reveals poor quality data and low effectiveness of regulations in improving energy efficiency of professional refrigeration equipment



'Make in China' becomes official policy

New law threatens UK lab companies

Fast parcel operators criticised by GAMBICA members

Inward and outward processing debacle not only caused by HMRC



Semi-conductor shortage a risk to patients

Legal firm highlights impact of supply chain issues on lab and medical companies



Joint action by Waters, Thermo, Shimadzu and Agilent to be announced at GAMBICA conference

Industry to learn of new standard interface for LC-MS



Leading provider of automation for gas chromatography joins GAMBICA

Anatune Ltd the UK distributor of Syft, Leco, Gerstel, and Agilent, has joined GAMBICA



Inward Processing/Outward Processing procedures — New GAMBICA group formed



UK COMPANIES have a great reputation across Europe for maintaining, servicing and calibrating high tech equipment. European companies seek us out to do this work. Servicing income is important to most UK manufacturers, but the processes put in place by HMRC to temporarily import products to be maintained, serviced or calibrated have become so difficult that one GAMBICA member has said: "It's not just shooting UK industry in the foot — it's a ballistic missile to the head".

Another commented: "I can't over-emphasise just how important an 'efficient' clearance of repair / parts business is. It is not just the stream of repair business itself that is at risk from an inefficient customs process. Our key customers make investment decisions on our ability to cost effectively service, repair and upgrade their investment assets. A really slick customs regime (for repairs and parts) between UK and EU is vital to win new business and retain existing business."

One of the big issues for UK companies is that they have to rely on their customers to get the paperwork right if they are to claim relief and avoid paying VAT on the entire capital value of the goods, rather than just their calibration or servicing charges. It's complicated, its confusing and most companies, and even the authorities in Europe don't understand it. And there's an additional problem; many fast parcel operators haven't bothered to update their systems post Brexit, so their users don't have the option to select 'temporary import'. What has the Government done about this? Not much it seems. Apparently, it hasn't even asked the fast parcel operators to improve their websites.

"...why does one package get through and another with the same information on get stopped (and then it goes into a black hole)?"

GAMBICA members say: "I think the government needs to get a proper handle on this with the EU importing countries and for them to be more consistent in their checks and to be less stringent, — why does one package get through and another with the same information on get stopped (and then it goes into a black hole)? Is it the understanding from the foreign parties as to what the rules are or does one customs agent look at a scenario differently to another customs agent?"

"80% of our business is export and we are suffering huge difficulties with the couriers. Customs are causing big issues but the brokers are doing a poor job of explaining what is needed to get the goods cleared. We believe we have now got excellent paperwork with no help from our fast parcel operators."

The fast parcel operators target their staff with getting a certain number of customs applications through per day. It's human nature that the complicated ones get put to one side in favour of meeting targets by pushing through simple applications. But its British businesses which are suffering as a result.

Mistakes made by customers and fast parcel operators can be corrected, but not without effort and as another member says: "HMRC were no help really, as it is our responsibility to obtain the correct documents, their staff were not able to assist."

There are three issues; the complexity of the HMRC inward processing and outward processing systems, the failure to get fast parcel operators committed to making their systems fit for purpose; and the failure to train fast parcel operator staff and all those affected to understand the processes and what needs to be done.



If we aren't to lose a whole area of British industry, this needs to be addressed and soon. That's why GAMBICA is forming a special interest group of members affected by the inward processing and outward processing debacle. The aim of the new GAMBICA group is to identify ways which the current over-engineered system could be made easier to operate, both for UK companies and their customers in the EU.

We are hoping to build on our experience of working to get clarity on what should and should not be zero rated for VAT. We have been trying to persuade HMRC that their job in relation to VAT is not to maximise the Government's take but to get the best value for the UK. And we also think that means not charging VAT on equipment being bought for medical or veterinary research with money donated to charities.

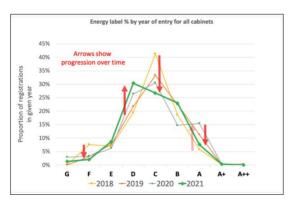
If you would like to know more about Inward Processing and Outward Processing systems, or you would like to join our campaign — get in touch. Jacqueline.balian@gambica.org.uk

Team revising Eco design regulations to include lab fridges hit data wall

THE LATEST meeting about the updating of the Eco Design and Energy Labelling EU Regulations took place this month. This will be of interest to GAMBICA members because the intention is to include laboratory refrigeration in the scope of the regulations.

The general review of the regulations aims to raise the bar for the energy labelling of other professional refrigeration equipment - largely retail and catering refrigeration. In order to estimate how high the bar should be set in relation to catering fridges, freezers and walk in cold rooms, the consultancy working for the EU's Directorate General of Growth has reviewed the data available from the European Product Registry for Energy Labelling (EPREL) which is the data set they will use to set the new levels.

Although it is intended to be the basis of the new labels, the data is clearly somewhat lacking in accuracy. Even after correcting for people having entered the data in the wrong units, the consultants found significant data inconsistencies in about half the data (this related to refrigeration rather than to sales) however, they believe that the remaining 53% of the data adequately reflects the types and balance of the data set overall. There was some concern from catering trade associations about the use of this data.

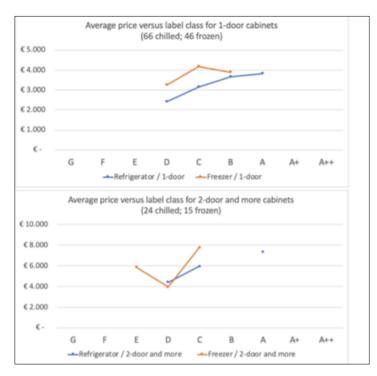


Interestingly, in a marked difference from domestic appliance labelling, there does not seem to have been any migration to higher labels over time, in fact, registrations of Class D professional refrigeration units have increased but registrations of all classes above Class C have dropped in each successive year. The market is moving towards poorer performance.

They did find some evidence of correlation of price with label class. It was noted that the hospitality sector has been under some pressure in very recent years which may

mean that price is a very important selling criterion.

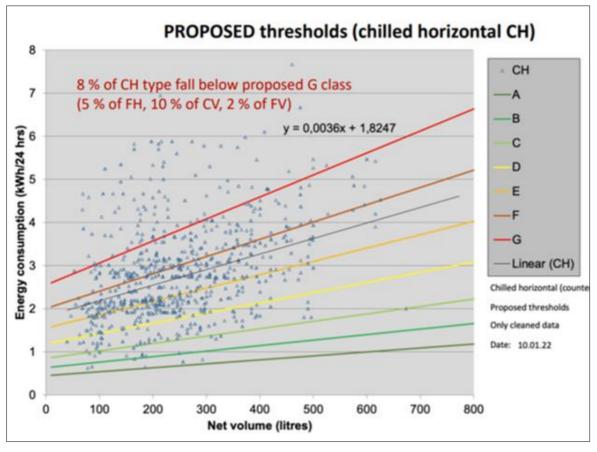




Recognising that the market has become comfortable with Class D means that the consultants are aiming to set new thresholds so that most cabinets fall in class F rather than Class C as at present. If the proposals are accepted 8% of chilled cabinets will fall into Grade G. Consideration is being given to making Class G ineligible for sale. The class boundaries will be much narrower at the top end to encourage companies to step up.

The market for process chillers, condensing units and storage cabinets covered by the regulations was believed to be 631,000 units in the EU27 in 2020 of which storage cabinets made up 371,000 units and process chillers just 7,000. They are basing their estimates of the market for scientific and healthcare cabinets on the sales data provided by one large company and have

said that the global market annually is 750,000 units and that there is a global stock of 1 million ULT units and 5-6 million laboratory grade refrigerators and freezers with an estimated global electricity consumption of 15TWh/a.



Scientific and healthcare cabinets

The consultants noted the very good relationship with suppliers which had been built up with the suppliers of laboratory, scientific and healthcare cabinets. They feel that in this area the challenges are not so significant because of the global nature of this sector and the highly motivated and



environmentally informed buyers of this class of equipment. They noted that the industry has already moved to voluntary labelling systems in the absence of any regulatory requirement and there was some discussion of the ACT labels provided by My Green Labs and the Energy Star system upon which they are based. They also believed that buyers of scientific and lab equipment have the budgetary scope to invest in better energy efficiency. They did, however, note the wide range of efficiency in products in some areas and a failure of information in addressing this. What information is readily available, they implied, is not user relevant and not easily comparable. In the absence of this information, moves by manufacturers to produce better equipment are not always able to cut through.

So for scientific and healthcare cabinets the initial proposals are likely to focus on requirements to provide information and set an energy label with classifications in which the top classes are likely to be empty to begin with. The categories will be split by comparable service provision, not by technology and it was acknowledged that it would not be appropriate to set minimum energy efficiency standards because for some types of equipment, features will be required which will of necessity fall outside the energy efficiency norms. Performance minima may be appropriate however for doctors and pharmacy fridges.

The standard would include a measure of annual energy consumption under standard conditions, an energy efficiency index and a category of appliance. Availability of spare parts will also be considered.

For scientific and healthcare cabinets, data is required to establish the classes and levels. The Energy Star database is likely to provide the basis, but it is based on an old test method and questions have been raised as to the applicability of the data set to European operations and as to whether it covers all the essential equipment types.

Happily, the lead consultant working on the Eco Design regulations for professional refrigeration has agreed to speak at our next refrigeration group meeting. I will send out the date and an invite as soon as they are decided.

Inflation in OECD surged to 5.8% in November

INFLATION IN the OECD area surged to 5.8% in the 12 months to November 2021, compared with 5.2% in October, and just 1.2% in November 2020, reaching the highest rate since May 1996. The rise was particularly marked in the United States, where year-on-year inflation climbed from 6.2% in October to 6.8% in November, the highest rate since June 1982. In the euro area, inflation also increased strongly to 4.9% in November, from 4.1% in October and minus 0.3% a year earlier, although it remained lower than in the OECD area as a whole.

Energy prices soared by 27.7% in the OECD area in the year to November, more than three percentage points higher than in October (24.3%) and the highest rate since June 1980. Food price inflation in the OECD area picked up strongly to 5.5% in November, compared with 4.6% in October. Excluding food and energy, OECD year-on-year inflation rose more moderately, to 3.8%, compared with 3.5% in October, though it contributed significantly to headline inflation in a number of large economies.

While year-on-year inflation increased in November to 6.8% in the United States (from 6.2% in October), it rose to 5.2% in Germany (from 4.5%), to 4.6% in the United Kingdom (from. 3.8%), to 3.7% in Italy (from 3.0%), to 2.8% in France (from 2.6%) and to 0.6% in Japan (from 0.1%). In all G7 countries, inflation between November 2020 and November 2021 was largely driven by increases in energy prices, contributing to overall inflation from 1.2 p.p. in the United Kingdom to 2.6 p.p. in Italy. Food price increases were lower than overall price increases in all G7 countries except in Japan. Visit the interactive OECD Data Portal to explore these data.



GAMBICA to introduce young person's council

GAMBICA MEMBERS are encouraged to nominate your young, talented colleagues to participate in a new Young Person's Council recently introduced by the GAMBICA board.

The Council will augment the current GAMBICA strategic governance structure by adding to the Management Board and Sector Councils. The participants in these roles are accomplished senior leaders who share their valuable expertise to drive the GAMBICA strategy and ensure value to members. To complement this wealth of experience, there is also space to invite some fresh ideas and diversity of thought from the perspective of a new generation of rising stars and future leaders.

"I'm really enthusiastic about the potential of this new group and I can see it will be of benefit to the association, to member companies and the representatives on the council themselves," said Chief Executive, Steve Brambley.

"GAMBICA will get the benefit of fresh input to our strategic direction from a cohort that we otherwise may not already engage with. This will drive improvements in what we do and how it is communicated, plus spawn new initiatives to meet the needs of the next generations of engineers, scientists and leaders".

- Member companies can offer their young talent a unique development opportunity, with influence that will improve the delivery of our value and services to members
- The young representatives will themselves have a personal development experience, defining and running a council, experiencing the operation of an industry association and building an extended network.

The intention is that the Council will be supported by the GAMBICA team, with Scott Pepper (Sector Head – Process Instrumentation & Control) facilitating the group activities. The council will also liaise with the main GAMBICA Board for input and communication in both directions.

It is envisaged that a group of around 10-15 people, aged 30 or below, will represent a diverse cross-section of our membership and areas of interest. "We are aiming for diversity of thought and encourage nominations which will help us to make good use of differences in the skills, industry experience, background, race, gender, and other qualities of the young professionals within our community."

If you would like to nominate one (or more) of your candidates for a role on the council, please do let me know by return email with their name, position and email address to receive an application form. Email steve.brambley@gambica.org.uk

£5000 off your new CRM or accounting software

THE HELP to Grow: Digital scheme to support smaller businesses in adopting digital technologies opened for applications in January. Under the scheme, eligible businesses can receive discounts of up to £5,000 off the retail price of approved digital accounting and CRM software from leading technology suppliers. This software will assist them in effectively managing finances and building customer relationships, and help them to scale up. Businesses can also access practical support and advice on how to choose the right digital technologies to boost their growth and productivity through a new online platform.



Semiconductor shortage 'a risk to patient health'



PATIENT HEALTH could be at risk if the global shortage of semiconductors affects the ability of laboratory and health care providers to fit or issue functioning medical devices or medical technologies, an expert in digital health has warned. Semiconductors are vital components of many consumer

Semiconductors are vital components of many consumer electronic devices and devices relied on by businesses increasingly powered by and dependent on digital technologies. However, there has been a global shortage of semiconductors in recent months, and this has been

predicted to last through 2022 and potentially beyond by Deloitte (for the full report click <u>here</u>). Carissa Kendall-Windless of Law Firm Pinsent Masons said: "The semiconductor shortage has highlighted the vulnerability of the global supply chain and affects multiple sectors and industries — and the health and medical sector should not be forgotten. If a global solution to the shortage cannot be managed or resolved, there will be grave consequences across this sector."

In the UK, the Department for Culture, Media and Sport is currently assessing the UK's supply resilience with regards to the availability of microchips.

Deloitte highlighted growing demand for semiconductors in health care, given their presence in wearables and other medical technologies. Data from Omida, the global research company, suggests that the "medical end use market" accounted for approximately 11% of industrial sales of semiconductors globally in 2019, and 1.3% of all semiconductor sales around the world that year.

Currently, most of the world's semiconductors are currently made by two companies based in Taiwan and South Korea. However, in response to the global shortage, policymakers elsewhere have been exploring steps to boost local production of the component.

In the EU, competition commissioner Margarethe Vestager said in November that the European Commission will consider granting state aid to support the European semiconductor market, "in particular for European first-of-a-kind facilities". Her announcement comes after a host of EU countries, including Germany, France, Italy, Belgium and The Netherlands issued a joint declaration calling for Europe to produce its own microchips with a "significant improvement in energy performance and speed" by 2025.

Co-written by Anna Harley of Pinsent Masons.

Innovation Agency provides support for device that can significantly reduce Zzzzzzzzzzzzzzzzzzzzz'ing

FORMER GP Dr Pete Naylor has been helped by the Innvoation Agency to develop a device that fits into an individual's mouth for a series of short exercises to reduce snoring. 'Snorgo' is a small T-



shaped plastic device that the patient puts between their lips and teeth, pulling outwards on it while resisting with their lips in a series of three 15-second exercises each day. Around a quarter of all UK adults snore and it can have a damaging impact on mental health, physical wellbeing and family life. Snoring is also associated with sleep apnoea, a potentially serious condition in which people stop breathing while asleep and which can lead to raised blood pressure and a greater risk of stroke.



Dr Naylor said: "Currently we aren't aware of any other product that does anything other than relieve snoring. We initially ran a small trial with half a dozen people and took them on a journey with questionnaires at the start and finish that gave us some very positive results. We talked to users' partners as well to get a more objective picture because you're able to lose some of your bias if you consult a person's partner.

"We also ran it through a larger group organised independently through the patient panel at the Innovation Agency and we had similar results -100% satisfaction and over 75% of people reporting improvement. As this was backed by the snorers' partners, too, it's very, very encouraging."

Dr Naylor added: "The Innovation Agency has been very supportive in helping us focus our energies in the right areas to help make it viable."

Indi Singh, commercial programme manager at the Innovation Agency, helped Dr Naylor identify grant funding and arranged for a patient panel to run rigorous tests and offer feedback on the device.

Dr Naylor was introduced to a team at the University of Chester who are currently running a real-world validation, a key service that helps innovators offer an objective evaluation of their product to potential buyers. He was also introduced to Dr Saagar Patel, an acute medicine and respiratory consultant at Warrington and Halton Teaching Hospitals NHS Foundation Trust, who aims to trial Snorgo with his patients. Dr Patel said: "It's a simple device but it has great potential in tackling a problem that can cause a lot of distress to patients. The Innovation Agency took the initiative in bringing Snorgo to our attention and the early signs are promising — it will be interesting to see how this grows."

Upcoming GAMBICA webinars

Prospecting for new business using LinkedIn | 2 February 2022



EXPERIENCED SALES people know how to make appointments, but since COVID, many are working from home, have far fewer opportunities to get out and meet people and are having to identify prospects in new ways.

This webinar, presented by Steve Vaughan, senior trainer and coach at

George James Ltd, will help sales people refine their skills in using LinkedIn to identify and make contact with sales prospects.

Topics covered will include:

- The importance of a professional profile to create the right to sell
- Content is King!
- Don't forget the social in social media
- Using groups
- Using Sales Navigator to find new customers

To register for this free webinar, click here.

Additive manufacturing for sustainable innovation | 9 February 2022 | 10 to 11am

MANCHESTER METROPOLITAN University's 3D additive and digital manufacturing centre, PrintCity invites you to a webinar on the potential for additive manufacturing technology to support sustainable innovation and the transition to a circular economy.

The session will include:

An introduction to additive manufacturing and the technology's key principles



- An overview of different additive manufacturing technologies and materials from polymers to metals and beyond
- Example additive manufacturing applications and associated opportunities for businesses including rapid prototyping, mass customisation, 'impossible' geometries and generative design.
- A range of sustainability and circular economy opportunities associated with additive manufacturing, including material recycling, light-weighting, repair, print-on-demand and the localisation of production.

To register click here.

F-gas the basics and how to calculate your F-gas equivalents | 16 February 2022



DR PADDY Delaney, CEO of both Huber UK and Huber Ireland Ltd will provide a personal overview of F-Gas regulations and import processes, and how to calculate your F-gas equivalents. He will also run through:

- New equipment and exemptions
- Current equipment in the field maintenance and repair
- Can we simply swap gases to a modern low GWP equivalent?
- Importation and exportation of goods
- Shipping regulations regarding natural refrigerants
- Use of natural refrigerants, and
- Impact of gases on UKCA.

To book your place, click here.

Working effectively with distribution partners | 16 March 2022



MANY SALES leads have responsibility for selling both direct and through distributors. This model does present some challenges and in this webinar, Steve Vaughan, senior trainer and coach for George James Ltd will give tips for those in this position.

The webinar will cover:

Using influencing skills rather than telling

- How to build trust
- Don't be afraid to say no!
- · Effective joint visits and
- Managing expectations

To reserve your place click here.

GAMBICA Annual Conference | 21 - 22 March 2022



IN AN exciting development, a new speaker has been recruited for the GAMBICA conference in March. Matt Wherry, Chief Engineer at Waters for Instrument Control Systems has agreed to present the first information released to industry about a co-operative initiative being taken by Waters, Agilent, Thermo and Shimadzu to develop a common interface for their LC-MS products.



As well as leading the Waters work on the Common Analytical Instruments Standard Interface (CAISI) Matt also leads the Waters delegation to the Laboratory Analytical Device Standard work being done with German federal funding and will be able to comment on progress on that too.

If you work in chromatography or spectroscopy you will find this an invaluable insight to the way the industry is heading.

The conference will also feature information on the implication of developments in nanotechnologies for lab companies, take away actions on how make improvements to your sustainability a boost to your bottom line, and a chance to hear from important customers about what they want from you.

Book now to attend the conference, and if you would like to come to the very convivial dinner the night before you will get a chance to meet other members and the speakers in advance.

The conference will take place at Stapleford Park in Melton Mowbray on the 22 March, with the dinner on the evening of the 21st. We are offering a special 'second delegate' rate so that you can bring your key staff along to the conference and make sure that ideas can be disseminated and acted on in your company without you having to do all the work yourself. To book your place, please click here.

Events

Get hyped for Science | Boston | 5-9 February

The Society for Lab Automation and Screening will be holding their annual International Conference and Exhibition in Boston, USA at the Boston Convention & Exhibition Center (BCEC) in February. Lab language proponents, SiLA will have a booth and will be offering a tutorial on Tuesday, February 8th, at 8.30am to 10am, (room 107) as well as posters and talks. For more information click here.

Pan-European Partnering in Big Science |8 February 2022

THE PAN-European Partnering in Big Science_event will take place virtually on 8 February 2022. The objective of the event is to provide space for European SMEs, system integrators and research institutes to network and form consortia. The event has been conceived as a preparatory event ahead of the Big Science Business Forum 2022, due to be held in Granada in October. To register, click here.

HS Code Classification & The UK Global Tariff | 25 Feb | 9.30 - 12.30

THIS ONLINE course from Chamber International will provide a detailed look at tariff classification designed for importers, exporters and customs brokers using content developed by customs for training classification teams and will include:

- Background to the Harmonised System
- Introduction to the UK Global Tariff
- Why tariff classification is important
- The General Rules for Interpretation (GRI) of the Harmonized System
- The difference between raw materials, semi-finished and finished products
- Spares and free-of-charge samples
- Assembled and unassembled parts classification rules



- How to classify incomplete or unfinished, unassembled or disassembled goods
- · Classifying mixtures or combinations
- What to do if goods can be classified under two or more headings
- · Goods put up in sets for retail sale
- How to manage packaging and cases

GAMBICA members are entitled to book this course at Chamber member rates which are £297 + VAT rather than the normal fee of £327 + VAT. Please <u>click here</u> to reserve your place.

BioIVT — One Nucleus Advanced Therapeutics social evening | 23 Feb | 19-21:00

YOU ARE invited to join One Nucleus for a social evening in collaboration with one of their partners, BioIVT at Scale Space located on Imperial College London's White City Campus. An opportunity to see BioIVT's impressive new blood donor centre, whilst enjoying refreshments and meeting new business contacts. If you would like to register follow the link here and select the relevant event in the list.

Hydrogen Tech Expo UK 2022 | International Centre | Telford March 31



THE INAUGURAL Hydrogen Tech Expo will provide an opportunity to connect with technology and service leaders and discover advanced concepts technologies and partners.

For more information click here.

Future Labs Live | Basel, Switzerland | June 2022

FUTURE LABS LIVE is intended to be a stimulating and exciting event for the future of all R&D labs. The event, which is planning to take place in person, will bring together hundreds of expert speakers and attendees from Europe and North America and has issued a call for expressions of interest in presenting at the event.

More than 50 speakers have already been confirmed including:

- Simon McSharry | Senior Director, R&D Tech GSK
- Vladislav Zarayskiy | Director of Automation and Screening Technologies Monte Rosa TX
- Nessa Carson | Principal Automation Scientists Syngenta
- Saritha Kuriakose | Director Data Integration & Ontologies Novo Nordisk
- Eva Aparicio | Senior Associate Roche
- Lesley Shirley | Senior Staff Scientist Sanger Institute
- Jeremy Frey | Head of Computational Systems Chemistry University of Southampton
- Dana Caulder | Director of Software Engineering Genentech

If you would like to speak at the event, please register your interest here.

Surfex | Coventry Building Society Arena | 7-8 June 2022

THIS FACE-to-face UK event for the surface and coatings technology industry also offers scientific papers, webinars and a video hub. For more information click <u>here</u>.



Big Science Business Forum | Granada, Spain | 4-7 October 2022

BSBF2022 will be held at the Granada Congress Centre. All registered attendees, sponsors, exhibitors, and participants of BSBF2021 have been automatically transferred to 2022 and do not need to follow any special procedure regarding registration or participation. Further information, the updated programme, and the new calendar is available here.

Invitation to tender

THE DEFENCE Security Accelerator is running a new Market Exploration on behalf of the Home Office, seeking information on innovative methods to support more efficient handling of drug drive cases. Ideas could be at any stage of development.



Currently, the evidence required for drug driving court proceedings involves a blood sample, which must be sent to a Forensic Service Provider (FSP) for analysis. The aim is to find ways to reduce the logistical burden on FSP toxicology departments, and they are interested in technology or concepts that may lead to an instrument police can use at a police station or at the roadside.

These include innovations which:

- · can contribute to a solution which is equivalent or better than current lab testing
- apply to cocaine and/or cannabis (THC), and potentially other drugs listed here
- can generate a 'while you wait' result (ideally no more than 30 minutes)
- help understand which testing matrices is most effective, such as blood, urine or saliva

If you have an innovation that could solve these problems, the submission process involves a short online form. The information provided will be used to assist in developing a statement of requirements for potential future activities. The deadline is midday **17th February 2022**. Further details can be found here.

Export News

'Make in China' law will hit imports of lab equipment





IN DECEMBER 2021, the National People's Congress of the People's Republic of China revised and passed the "Science and Technology Progress Law of the People's Republic of China" which states: "For domestic natural persons, legal persons, and unincorporated organisations' scientific and technological innovation products and services, government procurement shall be purchased provided that their functions and quality can meet the requirements of government procurement; if they are put on the market for the first time, government

procurement shall be the first to purchase, and they shall not be purchased. Restricted on the grounds of business performance. Government-purchased products that have yet to be researched and developed shall be implemented through ordering. The purchaser shall prioritise the use of competitive methods to determine scientific and technological research and development institutions, institutions of higher learning or enterprises to conduct research and development, and purchase products as agreed upon after the product is qualified."

What does this mean for GAMBICA members?

This is effectively a 'Buy from China first' law for all government funded bodies.

Some members are already seeing the effects of this as it has been adopted by some provinces with associated impacts for UK science and technology companies where there is established Chinese competitors.

Interpretation by local governments of the guidance will be critical but this is not expected to have much impact on industrial markets for the time being.

This is expected to have an impact for a number of businesses in the short term with the problem increasing over time to impact all businesses operating in China within the next 6-8 years.

Expert commentators believe that the driver here is talent and capital allocation and is consistent with crackdowns on 'big tech' which is driving business to obey a broader political agenda. This will encourage more capital and Chinese talent going to 'deep tech', as opposed to internet-based platforms and games.

This law also seeks to address technology bottlenecks where China is reliant on western technology by accelerating local innovation, but this can also be seen in the context of also driving technology transfer to China, as exporters struggle to maintain market shares.

Some UK companies are setting up businesses in China to mitigate the effects of the new law, with all the risks this holds for their intellectual property.

Package of measures may increase workload of already stretched Export Control

CONCERNS RAISED by GAMBICA members over widespread delays to export licences have been escalated via the Engineering and Machinery Alliance to Paul McComb, director of UK exports at DIT. Mr McComb claimed to be unaware of the problem and asked for further written information, which will be supplied. But a recent statement by International trade secretary, Anne-Marie



Trevelyan, makes no reference to supporting exports with efficient processing instead announcing that China is to be added to the list of destinations subject to full military end-use controls. The trade secretary claims: "This will rectify an anomaly that derives from the way the EU arms embargo was imposed in 1989 and the drafting of the current legal text. As with the revised military end-use control, this requires a change to the 2008 Order and will be implemented at the same time. This is planned to come into force in Spring 2022.

"This will not change the extent of the partial arms embargo on China," the government says. It is not clear that planning has taken into account the impact of additional checks on consignments to China will have on the clearly already stretched and under-resourced Export Control Joint Unit. The proportion of licences being processed within the ECJU's 20-day target has fallen to just 70%.

The statement from DIT also announced that new 'Strategic Export Licensing Criteria' are being introduced with immediate effect and will be applied to all licence decisions (including decisions on appeals) on goods, software and technology subject to control for strategic reasons for export, transfer, trade (brokering), and transit / transhipment. They will also be applied to the provision of technical assistance or other services, to the extent that these activities are subject to control.

The definition of military end-use is to be "enhanced to improve its effectiveness". The change will permit the control, on a case-by-case basis, of non-listed items intended for use by the military, paramilitary, security forces or police forces of a destination subject to an arms embargo, the government says.

"The control will only be imposed when government informs the exporter that a proposed export is intended for a military end use... This change will be delivered through a legislative amendment to the Export Control Order 2008, which we intend to lay in Spring 2022."

Parliamentary written statement and Strategic Export Licensing Criteria is available here. Further information is available here.

No compensation for delays but fines are real

BETWEEN MARCH and November 2021, HM Revenue & Customs (HMRC) issued compound penalties between £1,000 and £54,000 to 10 UK exporters. Most related to the export of military goods but over £74, 000 was paid for offences in relation to the export of dual-use goods without the appropriate licence.

Changes made to claiming preferential duty rates

In January the Government made some changes to the guidance on claiming preferential rates of duty on goods when importing into the UK from the EU (or importing into the EU from the UK).

To benefit from preferential tariffs, the importer will need to declare they hold proof that the goods comply with the rules of origin, so you must have either:

- a statement of origin made out by the exporter, or
- the importer's knowledge

If you're delaying your declarations for goods imported into the UK from the EU you only need to include a proof of origin when you make your supplementary declaration.



When exporting from the EU to the UK a statement on origin can be made out by any exporter where the value of the consignment is 6,000 euros (currently £5,400) or less. Above this amount the EU exporter must have a Registered Exporter (REX) number and include it in the statement.

When exporting to the EU you must include your Economic Operator Registration and Identification (EORI) number in any statement you issue to your EU customer, regardless of the value.

The statement on origin must be provided on an invoice, or any other document, including commercial document (excluding a bill of lading), describing the originating product in sufficient detail to enable its identification.

You can claim preference for different goods on the same document. You'll need to clearly identify the goods that are originating and non-originating. There is no fixed method for doing this — the only requirement is that those goods are clearly indicated.

It will be valid for 2 years from the date it was made out on imports into the UK and 12 months for imports into the EU.

Importers knowledge

'Importers knowledge' allows the importer to claim preferential tariff treatment based on evidence they have obtained about the originating status of imported products. This evidence must be in the importer's possession, be in form of supporting documents or records which may be provided by the exporter or producer and provide evidence that the product qualifies as originating.

As the importer is making a claim using their own knowledge, no statement on origin has to be provided by the exporter or producer.

Easements for businesses

From 1 January 2022, you must hold a supplier's declaration (when needed) at the time you issue a statement of origin.

If you do not have a supplier's declaration, or other information to show the originating status of the goods for any statements on origin you've issued during the easement period (1 January 2021 to 31 December 2021), then there is an obligation on you to let your customer know.

If you're subject to a request for verification and you cannot provide evidence to show that the goods you exported to the EU originate in the UK, your EU customer will be liable to pay the full rate of Customs Duty.





GAMBICA member warns of bogus procurement agent in Ghana

ANDY WHITTARD from Cherwell Labs has uncovered a bogus procurement agency based in Ghana, approaching UK companies. He says: "We were approached by a procurement agency from Ghana at the end of last year. We provided pricing, tentatively, and then received a contract award. On further investigation it proved to be bogus. I am aware of at least one other company who has been approached by the same organisation."

The bogus agency is named 'African Union Bureau of Procurements' and Andy has sent through a copy of the awards they are sending out with warnings not to waste your time with them!

Progressive roll-out of the IVDR

A PROPOSAL amending the In Vitro Diagnostic Medical Devices Regulation (EU) 2017/746 in order to ensure a smooth transfer from the current IVDD to IVDR has been agreed within an exceptionally swift time and without any amendments to the Commission text. Despite rumours of a delay, the IVDR will now still apply as from 26 May 2022 for new IVDs as well as Class A sterile devices and be progressively rolled out according to risk class. The amended Regulation is expected to be formally signed, published on the OJ and enter into application before the end of January 2022. Welcoming the agreement by the co-legislators to the amendment, Commissioner for Health and Food Safety Stella Kyriakides said: "In the midst of an unprecedented public health crisis, we cannot risk shortages of essential medical devices. Health systems and routine health services have been tested like never before. The pandemic has at the same time highlighted the vital need for accurate diagnostics and a resilient regulatory framework for in vitro medical devices. The amendment of the In Vitro Diagnostic Medical Devices Regulation will ensure that crucial medical devices, such as COVID or HIV tests, continue to be available and safe. Member States, manufacturers and notified bodies must now use the additional time to build up the necessary capacities, and manufacturers must prepare to transition to the new requirements. There is no time to rest."

For more, see <u>here</u>.

Company News

Leading provider of automation for gas chromatography joins GAMBICA

ANATUNE LTD the UK distributor of Syft, Leco and Gerstel, and Agilent, has joined sister company Crawford Scientific, as a new GAMBICA member.



With in-depth experience of the water, environmental and fast moving consumer goods testing markets where it has a reputation for assisting with food, flavour and beverage testing, Anatune is also active in the life sciences market, supplying many UK hospitals.

The company was formed in Cambridge 25 years ago and has 24 employees many of whom have chemistry PhDs and work in the Cambridge R&D/demonstration laboratory providing pre and post sales and support.

The company's mission is to help laboratory managers to automate their processes by handing over fully automated turn-key solutions. They develop testing methodologies for their customers, validate them to the relevant standards, deliver and install the equipment and train customers' staff.

"Five years ago," says MD Alan Lockley, "automation was seen as expensive and unreliable. Now it has come of age. Everyone is waking up to it now, not least because of their familiarity with Siri and Alexa. Now it is viewed not as a threat to jobs, but as a way of freeing up people to use their skills and not have to stand pipetting all day."

Anatune works with all the big UK pharmaceutical laboratories and is well recogniSed in the Water and Environmental testing market. "Our staff have specific industry expertise as well as higher level degrees so they have the background to understand customer problems and can sit in their shoes. We also value their ability to produce white papers, data presentations, case studies and to research new methods which they can turn to customers' advantage."

In 2021, Anatune's then owner, Arch, was purchased by Element, a UK based company which has a network of 200 laboratories globally providing testing inspection and certification. Anatune and Crawford Scientific were part of a series of acquisitions by Element designed to form a new life sciences division. The intention now is to scale the life sciences divisions rapidly and grow its activities in EMEAA.

Kevin Boyce, sales director for Anatune started his professional career at Varian which produced chromatography and mass spectrometry equipment and was eventually acquired by Agilent. He joined Anatune in 2020 to manage the commercial team which is made up of Sales, Marketing and Laboratory. He works closely with MD, Alan Lockley. Alan's first role after university was a handson NHS one in drugs-of-abuse testing. After taking his masters in toxicology, Alan joined Anatune as a service engineer, "I really enjoyed the travel and meeting customers and eventually took the service manager role. Now, as MD, I am focused on improving our processes and commercial performance. Kevin and I complement each other extremely well, Kevin with his commercial acumen and my technical/operational experience.

Anatune has always been very technically astute company and the aim now is to build on our thought leadership position and turn our great ability to support customers into a force to grow the business."

Kevin agrees: "At the moment we are a leading automation solutions provider, but we want to be *The* leading provider of automated analytical instruments solutions and customer support."

The pair have interesting insights on where automation is going for laboratories. "It used to be that the bottle-necks were at the sample preparation stage in laboratories, and we have a great way of automating that work, but the big challenge now is that everything is getting faster and producing more data, in fact gigabytes of data are being spat out so fast that it is becoming difficult for many laboratories to handle it and the bottle-necks are now often at the data analysis stage.

One of the innovations at Anatune has been to develop alternative ways for customers to buy their equipment. "We have found that some clients, particularly but not exclusively in the NHS, find it easier to pay for analysis via operational expenditure rather than capital expenditure, so we have developed a pay per test facility. The equipment is monitored remotely to ensure it is always available and the customer doesn't have to pay for installation or maintenance, it's all rolled into



the pay per test price. Alternatively, if they want to purchase the equipment we can arrange finance for them. And most of the consumables are supplied by our sister company Crawford Scientific," says Alan.

Anatune joins a significant number of providers of chromatography and mass spectrometry equipment already in GAMBICA membership and they will be joining the data collections group for this equipment. They will also be joining us for the Conference in March where Matt Wherry from Waters will give a sneak preview of the work that Waters, Agilent, Thermo Fisher and Shimadzu are doing together on CAISI the new Common Analytical Instruments Standard Interface for mass spectrometry and chromatography equipment. I hope you will come and meet them at Stapleford Park, but if you would like to know more about *Anatune* before then, please visit their website here

HR News

Salaries set to skyrocket in 2022 as firms try to retain employees, research finds

SALARIES FOR white collar professionals look to be on the rise in the first quarter of 2022 as companies fight to retain their best staff, a study has revealed.

An analysis of more than 100,000 jobs posted over the last 12 months, for <u>Robert Walters' 2022</u> <u>UK Salary Guide</u>, found professional services firms are planning to increase their budget for pay rises by 10 to 15 per cent this year.

According to Robert Walters, this will be the largest increase seen since 2008 and almost three times the inflation rate, with at least 5 per cent of wage increases in payroll budgets being reserved for existing employees.

For new starters, the past year has seen their wages grow by 6 to 8 per cent, and those who moved into 'hero' industries such as technology or healthcare saw pay hikes as high as 15 to 20 per cent. Similarly, more than two in five (43 per cent) firms said they were planning salary increases for current employees to align with higher pay they have awarded new hires.

Chris Poole, managing director of Robert Walters UK, said that wage increases above market value for in-demand hires was a recurring theme of the past year, and often meant new starter salaries outstripped those of existing employees.

This, he warned, could lead to existing employees feeling their additional experience at a company is no longer valued or has not grown in value over the past few years, and he projected that over the next year more companies would raise the pay of existing employees so they were in line with new starter salaries.

The poll found that more than half (54 per cent) of staff said they were expecting a pay rise this year following a two-year salary freeze, while two-thirds of surveyed employees stated they would leave their job if they were not rewarded fairly. Three-quarters (75 per cent) of employees polled said they were 'very confident' about job opportunities in their sector this year.

The 2022 UK Salary Guide also looked at the top three values among post-pandemic professionals, which included excellent compensation and benefits (65 per cent); a desirable bonus scheme (53 per cent); and job security (40 per cent).



Almost two in five workers (37 per cent) also stated that "inspiring colleagues and company culture" was an important factor in staying or taking on a new role.

Values that ranked lower for employees included flexible hours (29 per cent); remote working (22 per cent); and holiday entitlement (20 per cent).

However, the report suggested this might be because more than half (53 per cent) of workers stated they wouldn't ask about flexi-working in a job interview in the coming year because they would naturally assume it would be offered.

But, with two in five (39 per cent) businesses saying that they were increasing pay to keep up with rising inflation, Poole warned that companies may find themselves in a 'wage-price' spiral in the coming year — where higher prices and rising pay feed into each other and accelerate even more.

"There is little point in companies offering a pay rise as a morale booster if the impact of that increase isn't really felt in the real world," Poole said, adding that they are increasingly seeing more companies consider the cost of living when determining the average pay rise an individual gets.

The latest data from the Office for National Statistics revealed the number of job vacancies in the three months to December 2021 rose to a record high of 1,247,000, an increase of 462,000 on the three months to March 2020 when the first lockdown came into effect.

Don't forget the GAMBICA salary survey will be circulated in April — let me know if you would like a copy.