

APPAREL AND ACCESSORIES

## British Fashion Council urges against a no-deal Brexit

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*BFC is concerned about attracting and moving talent as Brexit looms. Image credit: BFC*

By STAFF REPORTS

The British Fashion Council is voicing its concern about the possibility that the United Kingdom could leave the European Union without a deal in place.

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In a report, the BFC noted that the fashion business is global, requiring raw materials, goods and talent to be able to move easily in and out of the U.K. In a no-deal scenario, a move to World Trade Organization rules is estimated to have an impact between 850 and 900 million pounds, or about \$1.03 billion to \$1.09 billion, according to the U.K. Fashion & Textile Association.

No-deal

Prime Minister Boris Johnson has argued against legislation that would prevent a no-deal Brexit scenario, and he has said that he does not want to delay the exit from the E.U. past the intended Oct. 31 deadline.

The BFC is arguing that a no-deal Brexit should be avoided, and is urging the government to create a deal with the E.U. as well as help to fund fashion businesses and advise companies on changing trade situations.

One of the BFC's key worries is trade.

Designers often source materials from other countries, and fashion garments and accessories can pass through a number of hands in different nations before completion. Companies also tend to sell their products to consumers in other countries.

In the event of the a no-deal Brexit, designers will have to navigate increased tariffs, including deciding whether to raise prices for consumers or eat the cost difference. Beyond products for sale, trade restrictions could also apply to samples.



*British fashion companies are global. Image credit: Mulberry*

There are also logistical challenges that would be new, such as changes to the shipping process.

The fashion business employs about 890,000 people in the U.K., and it accounts for 32 billion pounds, or about \$38.7 billion, of the country's GDP.

Much of the talent that the business relies on comes from other nations. As of 2018, the BFC worked with the Arts Council to establish Tier 1 Exceptional Talent visas, which allows the organization to independently assess visa applications for the fashion industry.

Parliament has also implemented new immigration rules for Tier 5 visas that are used by models to enter the country, creating a new Models Code of Practice.

While these have helped to safeguard access to workers for some jobs, this leaves some candidates without visa protections, particularly those who are skilled yet who earn less than the 30,000-pound threshold on Tier 2 visas. The BFC is pushing the government to review both the salary minimum and the shortage occupation list.

Even though it is lobbying for a deal, the BFC held a seminar discussing potential challenges and priming designers on WTO laws in case Brexit happens without a deal in place.

Recent research also shows that Brexit could be detrimental to British luxury brands if no deal is met.

According to a report from Walpole, British luxury could lose up to a 6.8 billion pounds, or almost \$9 billion if the United Kingdom leaves the E.U. without any sort of deal. Additional tariffs, taxes and regulation differences between the U.K. and the E.U. may cause a fifth of British luxury business to be at risk ([see story](#)).