

GSB News



Dear members of the GSB,

as the year comes to the end, we have once again taken a look at economic activities around the world for you.

Your GSB Team



Brexit - What to bear in mind from 1.1.2021 onwards

GSB News, editorial office early December ... The next economic outlook is planned. An article on Brexit is also to appear. I stare into my cup of coffee, lost in thought. The others are also looking a bit clueless.

"... then let's postpone the economic outlook for a few more days. Maybe we'll know more then," I suggest. No protest. Nods of agreement. No one really knows what will happen. Shortly afterwards, I start writing the introduction to the article on Brexit. "You can at least prepare something," I think to myself.

Something along the lines of "The negotiations have finally come to an end. The following rules now apply ..." was originally supposed to be written there. But already at this point I don't really believe that I will be privileged to send an article about a fully developed Brexit agreement to our readership.

In the last few days, you could constantly read about the topics that are now being argued on. "Fish, now they are arguing about fish!" it runs through my head.

Admittedly, one quickly tends not to approach the topic with the necessary seriousness. This is easy to do, because Brexit could also serve as an excellent script for a satire with English humor. However, one must always keep in mind that this is a very serious topic with far-reaching consequences.

The initial situation: The United Kingdom left the EU on 1.2.2020. In the course of the withdrawal, an agreement has been reached that will end on 31.12.2020. There will be almost no changes for companies until this date. The EU Commission also reported that it intends to use the time until the end of 2020 for negotiations.

What followed were long negotiations. Regardless of which news portal you consulted, you always read the same thing - formulated in different ways. The negotiations were still going on, they said. Meanwhile, a long list of summaries of the negotiation sessions can be found on the pages of the EU Commission - meanwhile 9 in total.

On Dec. 7, 2020, British Prime Minister Boris Johnson tweeted that he had spoken with the European Commission, including Commission President Ursula von der Leyen. Both parties had instructed their negotiators to draw up a list of open points, according to the tweet. On the part of von der Leyen, it was then confirmed via the short message service that a meeting is to take place on Dec. 9, 2020, at which the negotiations should be continued.

After the scheduled meeting, disappointment set in. Von der Leyen confirmed on Twitter that they understood each other's positions, but that they were far apart and wanted to reach a solution by the the third Sunday in Advent.

Then what was already feared happened. Nothing. Once again, it was announced that negotiations would continue. The question of how to proceed remains unanswered, even as this economic outlook goes to press. What is certain is that the negotiating parties are slowly but surely running out of time.

Regardless of how the Brexit negotiations turn out, there are already aspects that need to be considered when preparing for the coming year in relation to Brexit. In this regard, the Publications Office of the European Union has prepared an overview paper. This can be accessed at the following link:

[Link to the checklist](#)

In particular, guidance is provided for companies affected by the REACH agreement. It states:

"As of 1 January 2021, EU rules on the registration, evaluation, authorisation and restriction of chemicals (REACH) will no longer apply in the United Kingdom. Registrations held by manufacturers and producers established in the United Kingdom will no longer be valid in the EU."

Furthermore, companies are advised to check whether "that [their] substances are registered [...] in the EU." Detailed explanations of this and all other aspects worthy of attention - for example customs and labor regulations - can be found in the checklist linked above.

Source: Publications Office of the European Union. (2020). 'BREXIT READINESS CHECKLIST' FOR COMPANIES DOING BUSINESS WITH THE UK. Retrieved from: [Link](#) [14.12.2020]

The construction industry at the end of the year

For the last economy outlook of the year, we have again taken a look at the building construction sector, which is of great importance to many of our member companies.

According to the latest data from the European Union, building construction output fell by 2.7% in September compared with the previous month.*

In comparison from Q2 to Q3 2020, production in building construction increased by 9.7%. The question now remains whether an increase on Q3 will also be recorded against the backdrop of rising infection figures for Q4. Here, it only remains to wait for the data from the final quarter of 2020.*

Adjusted to calendar effects, building construction output in September 2020 fell by 2.9% compared with the same month of the previous year.**

How things will develop in 2021 depends on many factors. On the one hand, it remains to be seen whether the measures that will have been implemented over the festive season will have an effect.

Next, it's all about the vaccines. Great Britain and the USA have already started with vaccinations. This is not yet the case in the EU. It remains to be seen how quickly the vaccine can be approved.

Following approval, the massive task of distribution and actual vaccination will have to be tackled. Depending on how successfully the task is accomplished, the markets will also react. One will already be able to see in the cases of the USA and Great Britain how quickly and efficiently this can be done and where mistakes can happen.

*EU/Calendar and seasonally adjusted

**EU/Calendar adjusted

Source: eurostat. (2020). September 2020 compared with August 2020. Production in construction down by 2.9% in euro area and by 2.5% in EU. Down by 2.5% and 2.7% compared with September 2019. Retrieved from: [Link](#) [14.12.2020]

Editorial Office

We are looking forward to your topic suggestions, questions and comments regarding the GSB-NEWS!

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