**CONSEQUENCES AND THREATS**

1. **CUSTOMS HANDLING**
   - UK: 217 mechanical engineering companies controlled by a parent company based in the EU
   - EU: 239 mechanical engineering companies controlled by a parent company based in the UK

2. **DIFFERING STANDARDS**
   - When the UK leaves the Customs Union, bureaucracy and possibly new tariffs will hinder business.
   - With the UK outside the Single Market, both sides will develop their own standards and thereby complicate exports.

3. **RESTRICTIONS FOR POSTED WORKERS**
   - Tougher rules for posted workers will disrupt the flow of technical experts between the EU and the UK.

**FACTS AND FIGURES**

- Employees in mechanical engineering:
  - EU 27: 2,800,000
  - UK: 193,000

- Machine exports:
  - From the EU27 to UK: €20 billion
  - From UK to the EU27: €11 billion

**SOLUTIONS AND RECOMMENDATIONS**

1. **CONCLUDE A TRADE AGREEMENT**
   - The EU and UK need to agree future trade relations without further delay in the negotiations. A broadband trade agreement would harm companies on both sides.

2. **AVOID TECHNICAL BARRIERS**
   - Self-certification should be allowed as a barrier to trade. Keep it simple for exporters to comply with the respective rules by allowing self-certification. Refrain from costly third-party certification.

3. **REduce CUSTOMS BureaucRacy**
   - Where feasible and without delays, companies should be favoured due to customs handling requirements. To lower administrative expenses, self-assessment of suppliers and subcontractors should be permitted.

4. **OPEN BORDERS FOR POSTED WORKERS**
   - Flow of goods and people are interdependent. To sell a machine abroad often requires the dispatch of an expert for set-up and instruction. Avoid unnecessary red tape.

5. **PRESERVE THE SINGLE MARKET**
   - EU companies, trade with the UK a departure is rare. EU companies should not be penalised when negotiating an agreement. It is all the more important that during the negotiations the machinery and mechanical engineering industry remains the backbone of both the UK and the EU.