



PRESS RELEASE

Transport, Trade and Brexit – 486 days to go!

BRUSSELS, 27 November 2017 – At the fifth European Logistics Platform (ELP) event this year, 50 EU policymakers and industry stakeholders met to discuss the implications and impact of Brexit on transport and trade. Deal or no deal, transitional period or cliff edge - all scenarios will have an impact on the trade flows and daily transport movements between the EU and UK. The event tried to put words and figures on this impact.

The event was hosted by **MEP Dr Andreas Schwab**, member of the IMCO Committee and of the ELP advisory board. In his introductory remarks, Dr Schwab noted, with reference to the Swiss-German border, how “borders can make life difficult for SME’s doing trade and for transport in general. It causes problems when the free movement for people, goods and companies is hampered. Brexit is clearly bad for the economy.”

Steve Parker, President of CLECAT, illustrated how true these remarks are by starting to paint a picture on how businesses trading between the EU and UK are already facing challenges without Brexit: changes resulting from the implementation of the Union Customs Code, the need for increased capacity due to increased trade; an increase in more and smaller shipments, particularly due to e-commerce; fraud; security; sector-specific issues (food, environment etc.). And then Brexit is being put on the top of that, commented Mr Parker: “There will be an impact on the need for more resources, more people, more expertise both on the side of authorities and of industry; a need to upgrade IT systems and to tackle a lack of experience when many traders have to deal for the first time with international trade.” He further stressed that it is not only customs controls which will present a barrier, but also veterinary and phyto-sanitary checks on agriculture and fresh produce. Industry needs a transitional period, and clarity on the new rules and procedures which they will be required to follow after Brexit, as soon as possible.

Pauline Bastidon of the Freight Transport Association (FTA) emphasized that “at least 185,000 traders will need to make customs procedures for the first time in the UK when Brexit kicks in.” Ms Bastidon provided concrete examples of how integrated supply chains could be disrupted, because of the deep interconnections between the UK and EU-27 at production and distribution levels. She also painted a picture of the impact on Channel ports (every additional 2 minutes to process trucks will result in 27 km of queues), on handling of fresh products and on the lack of fallback solutions for road transport. WTO rules do not provide a solution for road haulage and the only readily available mechanism, ECMT permits, would cover less than 5% of UK-EU haulage needs. Her clear message was “do not forget the practical implications of Brexit: solutions can be found with a bit of political will. Industry needs clarity and predictability, as soon as possible.”

The picture was further elaborated by **Michiel Vermeiren, Port of Antwerp**, who stated clearly that “you cannot re-evaluate your supply-chain on the basis of what is essentially a black-box – and Brexit is a black-box.” The Port of Antwerp, like other operators impacted by Brexit, is facing uncertainty in the future with potentially less trade; diversion of trade as the UK pursues new sourcing of goods; a possible shift from Ro-Ro to Lo-Lo vessels; potential new services to Ireland; and the impact of a 15-25% increase in transaction costs due to customs for the UK. “We expect the largest impact on Ro-Ro operators, with administrative burdens on the handling of the operations and new (non-)tariff barriers.”

As the final speaker, **Roel van ‘t Veld, policy advisor at the Dutch Customs Administration**, confirmed that national authorities also share the concerns expressed by the first speakers representing industry.

With UK as one of the Netherlands' top 5 trading partners, Brexit is clearly a serious matter for Dutch Customs, who are facing a potential increase of 46% in the number of larger traders that need to comply with customs procedures after Brexit. In his conclusion Mr van 't Veld stated that "it is our belief that every realistic scenario will have an impact that in some form resembles a hard Brexit – with controls, customs etc." He also stressed on the need to be aware that there is not only a customs issue: "The level of regulatory divergence will also determine the impact of Brexit. The greater the regulatory divergence, the more need for checks and controls at customs and from other border authorities. We assume that ultimately there will be regulatory divergence. The major impact for Customs and trade will be that for the first time since 1993 the Netherlands will effectively have a "land border", the ferry from the UK. There will be an impact on the volume of trade being supervised and the procedures to be followed. The key for us all is preparation!"

In conclusion, Nicolette van der Jagt, Director General of CLECAT and Chairwoman of the ELP, underlined the need for businesses and authorities to fully prepare for the impact of Brexit. She said that "the presentations from our speakers and subsequent discussions have given us a reality-check on the impact of Brexit on trade and logistics. There is no win-win situation here, but businesses and authorities need to be able to manage the situation properly and to ensure that freight transport fully on the agenda for the negotiations and preparations for Brexit. We need clarity as soon as possible on the future trading arrangements, but need to be planning now."

The European Logistics Platform consists of more than twenty industry stakeholders representing a wide variety of actors involved in logistics and supply chains across Europe. Current members include ACEA, BDL, CER, CLECAT, Deutsche Bahn, Deutsche Post DHL Group, Duisport, ECG, ESC, ECSLA, ERFA, FEPORT, FERRMED, FTA, Goodyear Dunlop Tires Europe, Hutchison Whampoa, IRU, Michelin, NLA, Port of Rotterdam, P&G, TLN, UIRR, Volvo Group

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