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**Brexit: Initial Thoughts on Brexit and
Maritime Competition and Trade related
implications**

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FTA in numbers



More than **16,000** members make us the **UK's largest and most trusted** freight trade association



Our members operate over **half of the UK lorry fleet**



FTA members consign **over 90% of rail freight** and **70% of UK exports by sea and air**

Over **200,000** heavy goods vehicles are controlled by FTA members



We handle over **50,000 queries** from our members every year



We train over **10,000** people every year



Over **360 staff** are here to support FTA members

Leaving - Article 50 Process



Four phases in the negotiations



1

- **Withdrawal arrangements:** most pressing matters for an orderly withdrawal (*citizens, financial settlement, Ireland*)

2

- **Framework for the future UK/EU relationship:** preparatory discussions

3

- **Transitional measures:** limited in time

4

- **Comprehensive free trade agreement with the EU:** concluded post Brexit

EU roles & responsibilities



European Council

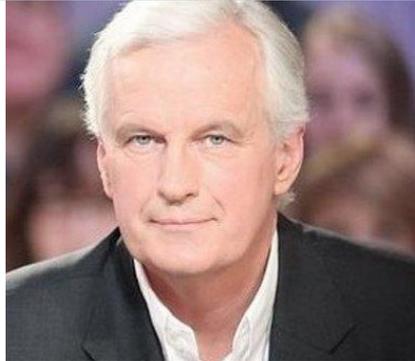
Donald Tusk



- Sets out guidelines for the negotiations
- Has delegated detail of negotiations to the European Commission
 - Concludes the agreement with the UK with qualified majority

European Commission

Michel Barnier



- Task Force & Chief Negotiator lead the negotiations with the UK
 - Services provide technical expertise (reporting to TF) & will lead on trade negotiations post-Brexit

European Parliament

Guy Verhofstadt MEP



- EP needs to provide its consent before the Council can conclude the agreement with the UK
 - Informal Steering Committee leads on Brexit, but all committees are involved

Trade: Options against UK's objectives



	Control over labour mobility	Independent Trade Policy	Control over budget	Not subject to ECJ	Access to single market in goods	Access to single market in services
Full CU with the EU						
Partial CU (eg. Turkey)						
EEA						
FTA						
MFN (WTO)						



UK & EU trade in numbers



The EU is the UK's first trade partner

2016 – Top trading partners for the UK:

-  Imports: €293,790 million | Exports: €167,611 million
-  Imports: €53,504 million | Exports: €54,812 million
-  Imports: €25,637 million | Exports: €17,373 million
-  Imports: €53,235 million | Exports: €16,284 million

Access to the Market

- Best outcome: FTA
- What is at stake:
 - Future trade arrangements & procedures
 - Degree of access to the single market
 - Degree of regulatory convergence
- Default option = trade under WTO rules (i.e. no preferential access)
- Risk of cliff-edge exit with no deal

Implications of no deal for trade

- Tariffs
- Red tape & regulatory barriers
- Controls & longer lead times for importers & exporters
- Disruptions at the border on both sides (traffic, delays)
- Cost to business & lack of time to adapt
- Authorities: IT systems? Border staff?
- Lack of space at major nodes

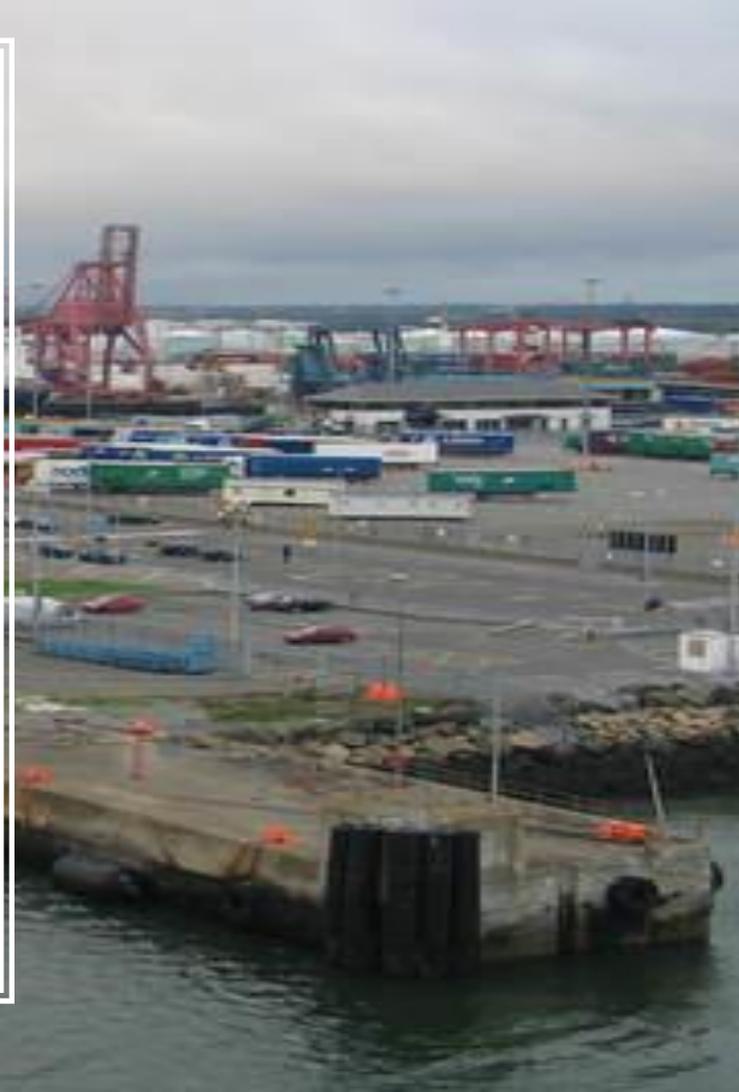


Importance of Dover-Calais

- 4.23 million freight vehicles / year
- 11,600 vehicles / day
- 75 min (ferry) / 1h (Eurotunnel)
- Alternatives: 3 to 4 x longer
- Unmatched capacity & frequency of service

Ireland: specific challenges

- Only EU-UK land border
- Unique circumstances
- High integration of trade
- Many businesses operate on an 'island of Ireland' basis
- Promise of no hard border
- GB landbridge & transit challenge

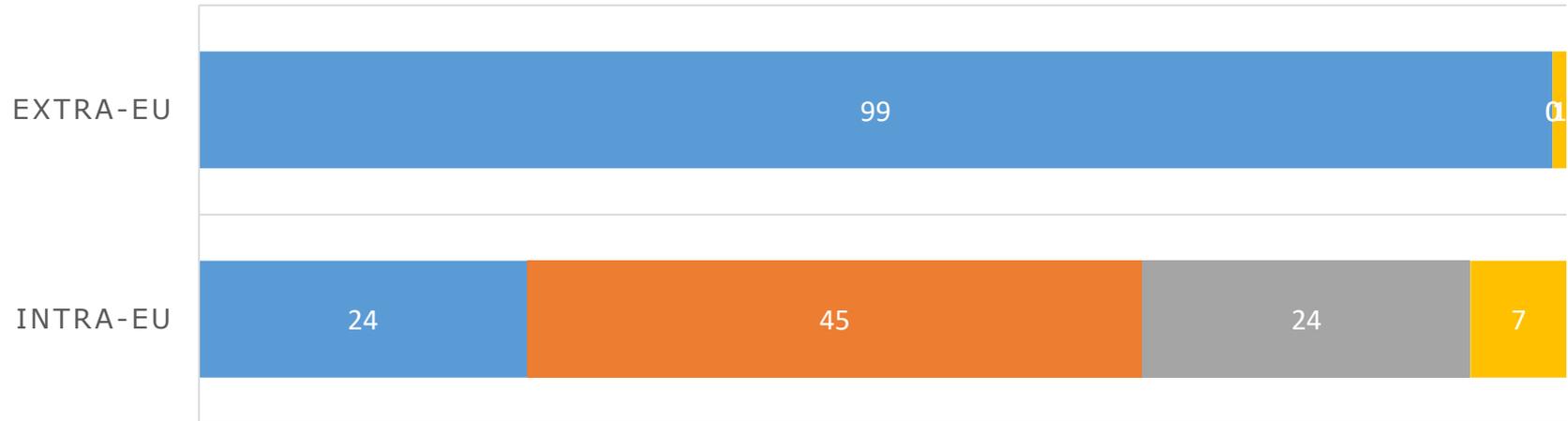


Transport: difference between intra and extra EU



UNITARY FREIGHT TRAFFIC PASSING THROUGH MAJOR UK PORTS BY TYPE OF FREIGHT UNIT, 2015

■ Container Traffic ■ Roll-on Roll-off ■ Trailers ■ Other



Impact of no deal for road transport / Ro-ro

- Default option = access restrictions
- ECMT permits system
- Biggest issue: volume of permits
- Only 5-8% of ECMT quotas unused
- Alternatives to ECMT?
- Mutual recognition of qualifications?



Transition



Internal impact assessment

- Assess impact of worst-case scenario
- Impact on your production & supply chain
- Impact on your market
- HR & tax implications
- Regulatory implications
- Impact on your transport providers & transportation choices
- Any opportunities?



Thank you for your attention



For more information on the implications of Brexit and logistics visit

fta.co.uk/Brexit

FTA: Leading for Logistics on Brexit

Join the conversation

