

Proposal to establish UK EU Exit Working Group

On the 31st December 2020 the UK left the EU with Trade and Cooperation Agreement (TCA) and Northern Ireland Protocol in place. At the time of writing the TCA has not been formally ratified by the EU but this is expected to be completed in May 2021.

The impact on supply chains and businesses involved in manufacturing, transporting and clearing goods was expected to be significant and whilst there have been improvements that have mitigated delays as organisations have begun to adapt to the new requirements there are still issues that are causing disruption and increased costs across the EU, within the UK and for businesses whose products are transiting the region.

On 16th March an ELA/Chartered Institute of Logistics and Transport (CILT) webinar was held to discuss the implications for shippers and logistics service providers and this highlighted both the ways in which supply chains had been modified and the issues that are still being experienced.

Discussions have been held at senior level within ELA as to how best to follow on from this event.

On the assumption that the TCA will be ratified governance within the TCA will be managed through the establishment of a new institutional framework. This will include the establishment of a Partnership Council, comprised of EU and UK representatives, whose task will be to oversee the implementation and application of the TCA. The Council will be co-chaired by a member of the European Commission and a government minister from the UK.

There will be a number of committees established including Trade Specialised Committees encompassing areas such as goods, customs co-operation and rules of origin, level playing field and technical barriers to trade.

The exact composition of membership, areas of responsibility and methods of engagement with businesses for these committees is as yet unknown but at this time we are aware that in the European Commission there is a new section set up under the Secretary General, to oversee the new UK-EU relationship, including unit UKS2 EU-UK Trade and Cooperation Agreement, headed by Stefan Fuehring.

Proposal:

ELA propose that a working group be established from across shippers/manufacturers and logistics service providers to identify and evidence issues that are being experienced and discuss possible solutions to these that we wish the Partnership Council to address with the objectives of ensuring that EU/UK trade can operate as seamlessly as possible and support business continuity to member states by minimising supply chain friction with the UK.

We believe that there is an opportunity to assist the Partnership council by being proactive in raising these issues and potential solutions at the earliest stage and potentially on an ongoing basis as the TCA evolves.

Mark Watts, a Fellow of CILT, a former MEP and current CEO of UK Transport in Europe has, on behalf of ELA, written to Stefan Fuehring to offer our support by engaging with officials and seeking to see if there are ways in which we can engage on a collaborative basis and address specific questions. The proposed Working Group will be convened when appropriate and will have the opportunity to meet in a non-competitive, modally agnostic and non-political environment to share and discuss experiences, provide supporting evidence and consider positions and “asks”.

It is possible that the response will be limited but either way there is an opportunity for us collectively to discuss our experiences and identify a number of requests from the Partnership Council.

In respect of evidence for example stating that costs have increased will not be sufficient and we will need to identify examples and amounts as well as the impact that this has on business performance. Information provided will not be attributed to any individual company. In addition, the group and the wider ELA membership should seek to identify officials that we know and can influence and inform.

Depending on the activities of the Working Group and areas of discussion it may be necessary to form sub groups or expand the group to bring in specific areas of expertise; customs would be one example.

Evidence from CILT engagement with UK Government Departments following the Brexit vote in 2016 has indicated that there is little understanding of supply chains with suboptimal coordination across departments such as transport, customs and excise and those involved in borders. This is likely to be similar within the proposed structure for the Partnership Council.

There is therefore an opportunity for the supply chain management, logistics and transport professions to work collaboratively to raise our profile in national Governments and the European Commission and to address the issues that are impacting us, our economies and ultimately society at large.

Standards

Reference

Network

Working Group:

Invitations to participate in the Working Group are addressed to senior practitioners within businesses engaged in the trade and movement of goods between the EU and UK or from those outside the EU who are trading or moving goods that transit across the EU to /from the UK.

Members should have experience in one or more of the following areas:

- Supply Chain Management – manufacturing or retail
- Logistics – including B2B and B2C order fulfilment and production support operations
- Movement of freight by road, rail, short and deep sea, inland waterways, air, intermodal combinations and port operations
- E-commerce
- Customs
- Public health

Meetings will commence during the next three months and it is envisaged, depending on engagement with officials and the Partnership Council Committees, that online meetings will be held quarterly. The Working Group will have dynamic membership and will utilise expertise based on issues to be considered and addressed.

Meetings will typically be held under the Chatham House Rule meaning that participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed. This will be in place to address concerns over confidentiality and competitive conflict. We do envisage that meetings will be summarised and formatted to enable us to produce written information that can be provided to participants and more particularly to officials and stakeholders.

Standards

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Network