

# BRITISH PORTS ASSOCIATION

A BREXIT DIVIDEND:  
SUPPORTING TRADE  
AND GROWTH



As Brexit talks move on to the future EU-UK trading relationship, we must ensure the United Kingdom is ready for all eventualities.

The British Ports Association (BPA) has consistently supported the Government's ambition for "frictionless" trade with the European Union (EU) when the UK leaves the bloc, retaining the free-flowing benefits of the Customs Union and the EU Single Market at the border.

Regardless of the outcome of the negotiations in the autumn, trade must continue to flow and grow.

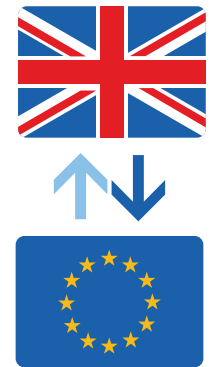
British ports call for a pragmatic deal with the EU on both customs and regulatory recognition that allows British, Irish, and other European businesses to get their goods across borders as quickly as possible.

The BPA calls on all UK governments to prioritise future economic growth in their regulatory, fiscal and investment decisions.

If there is to be a "Brexit dividend", existing businesses at international trading gateways – whether airports or seaports – must be supported.

The conditions for future SME growth should be prioritised. And rail and road connections to seaports future-proofed to provide a step change in capacity to boost economic growth.

Post Brexit planning and regulatory change are a must to help the sector compete, grow and continue to support jobs.



**The British Ports Association represents the interests of over 100 ports and terminals to the UK and devolved Governments, the EU and national and international bodies. As our membership comprises many ports, terminal operators and port facilities, all of varying size, location and nature, the Association is able to draw upon a wide range of experience and knowledge to represent its members' interests.**



## **OPTIMISING TRADE: FLOW IN ORDER TO GROW**

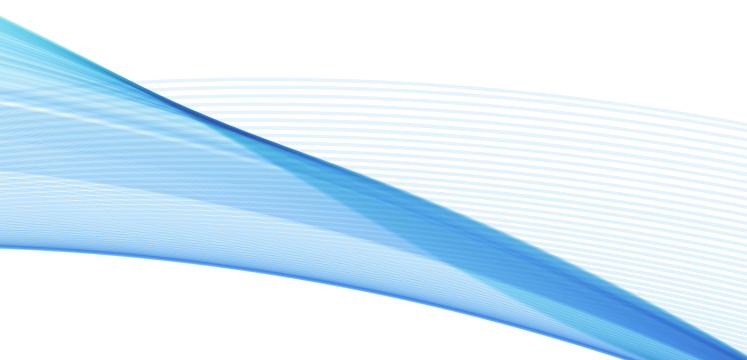
2018 will be a defining year for the United Kingdom.

Britain's ports are supportive of the UK Government as it seeks to reach a settlement with the EU that promotes business growth and maintains the border as a tax point, rather than a check point.

However, it appears that a free trade Brexit deal is increasingly looking like a 'no deal' scenario for UK ports with potential new frontier controls leading to bureaucratic requirements for checks at the border. Limiting border "friction" is our joint objective once we leave the EU Single Market and Customs Union.

With so many uncertainties about our post-Brexit trading settlement, we can be sure of certain matters: once we leave the EU, the UK will be a third country; as an island nation we are always going to have to move goods through our ports; and EU-UK trade will continue to be important in the future.

The efficient and reliable movement of just-in-time goods is critical to the functioning of the UK and European economies. This will be felt at ports – particularly ferry or Roll-on Roll-off (Ro-Ro ports – as they are a vital part in continental supply chains that are often complex and time sensitive.



## A TAX POINT, RATHER THAN A CHECK POINT

The Government has highlighted the desirability of continued membership of the Common Transit Convention (removing border import/export declarations), increased take up by exporters and importers of trusted trader schemes like Authorised Economic Operator status, and a mutual recognition of agri-food and product standards in their statements on the UK's customs arrangements following Brexit.

Although customs and border security arrangements are far more complex, the BPA supports these initiatives to maintain the frontier, as far as possible, as a tax point only.

Currently, approximately 75%-80% of border interventions undertaken at UK ports on non-EU trade are for animal and plant product inspections (A&P) – from grain and furniture to meat and leather for car seats. To put the scale of the challenge into numbers: in excess of 10,000 trucks pass through the UK's Ro-Ro ports every day and 390,000 live lambs cross the Irish land border annually.

Given the speed and volume of traffic transiting the Irish Sea, North Sea and The Channel, it is imperative that port health inspections on UK and EU soil are either conducted away from the port or carried out in such a way as to minimise disruption, regardless of whether mutual recognition of agri-food standards is achieved.





## “ECONOMIC GROWTH FIRST”

To minimise disruption to trade, the UK Government is seeking to agree a comprehensive free trade agreement that covers services, goods and customs arrangements with EU after Britain leaves the bloc.

With no guarantee that this will occur, and with increased friction to trading routes being inevitable in any event, we believe that ports as trading gateways should be prioritised by Government. Providing the conditions for strong inward investment and boosting international trade are imperatives that British ports – large, medium and small – stand ready to support. The BPA calls for an “Economic Growth First” policy to be applied across business growth, connectivity and trade decisions.

Harnessing the freedoms associated with a post Brexit regulatory, fiscal and investment decision framework to provide competitive advantage to Britain’s trading gateways.

With £3bn over two years set aside for system overhaul and resource deployment to cope with Brexit, and with the stated intention to allocate more funding beyond 2018-19, the BPA believes the Government should consider our vision as a template to help secure a “Brexit dividend” for British ports – boosting the country’s trading position across the UK.

Negotiate for the best, plan for the worst



## A “BREXIT DIVIDEND” FOR BRITISH PORTS

**Multi-modal international business corridors** – economic productivity, trade flow efficiency and resilience are largely dictated by the quality of ports’ road and rail connections. ‘Last mile’ connections and bottlenecks have been examined by the Department for Transport recently but support for the transport network should be backed up by clearer public funding commitments

Roads are vital for ports with around 80-85% of port traffic entering/leaving by vehicle, but funding has been neglected in the last two decades. The Department of Transport and Highways England are giving a greater weighting to economic growth in the investment decisions attached to the developing Major Road Network and Road Investment Strategy, 2020-25.

We commend this approach and call for incremental and large-scale scheme enhancements to the national transport network to be elevated and expedited. Transport strategies in Scotland, Wales and Northern Ireland can also replicate where suitable.

We have also repeatedly called for a new **Freight Strategy**. This would be a good time to start the process and it should be linked in with the Government’s Industrial Strategy.

Connectivity considerations for **smaller ports** to facilitate regional trade and important tourist, leisure and offshore industries including fishing and renewables should not be ignored.





## PLANNING AND CONSENTING

On **planning and consenting** there will be post-Brexit opportunities for ports. We are encouraging a concept of “**Port Development and Enterprise Zones**” – designating UK port zones with favourable business, tax and planning conditions to encourage regional and coastal development, would boost trade and economic growth. The zones would cover ports, tenants and industrial clusters.

While respecting the three pillars of sustainability – environmental, economic and social – we believe a review of the Birds and Habitats Directives is critical to the functioning of an effective port zoning policy. This is not about tearing up environmental rules but looking at how ports can be given the right conditions to function and grow. We would encourage inclusion of the maritime sector in the Government’s Industrial Strategy.

## FREE PORTS

This is a concept where certain port areas could be exempt from customs duties and tariffs to enable added value processes to take place. The Government is open to discussing these and indeed if suitable they could be created under current UK law. Many of the advantages can also be achieved through other procedures, such as customs warehousing and inward processing. Designating free trade areas at ports will probably not provide a Brexit solution for gateway ports such as for those in the Ro-Ro sector. The Government has been clear that many ports with land and on-site processing might be interested. Dependent on the final Brexit agreement there could be competition issues to consider on customs and excise procedures, therefore free ports should be kept under review.

## REGULATORY REVIEW

There will of course be opportunities to consider which European regulations the UK keeps post Brexit. A number of technical rules stemming from Brussels have had varying impacts on ports but of particular recent concern is the forthcoming **EU Port Services Regulation**. This creates onerous new rules for service provision in ports and was designed with the port governance models that exist in other member states in mind. It will cover 43 port locations in the UK and is something we would like to see overturned, once the UK leaves the EU.

## HARNESSING OUR FISHERIES

Regaining control of the access and management of our fishing resources will present the possibility to grow the UK's fishing fleet, increase domestic fish landings and facilitate more processing at British ports to the benefit of coastal communities. This would be a welcome boost for the UK's fishing ports, which are often at the heart of coastal communities.

British fishing ports would like to see positive fiscal and funding policies to facilitate the growth of the domestic market, through a reformed successor to the European Maritime and Fisheries Fund that would support the transition to more equitable and well-managed UK fisheries.

Approximately 80% of the fish landed at UK ports is exported and the overwhelming majority of this goes to Europe. Tariff-free access to EU markets – and vice versa – is seen as essential and of utmost importance to many in the sector. Norway and Iceland manage their own fisheries, have healthy fish stocks and trade with the EU. We would like to see a similar arrangement for the UK.



**British  
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# ‘Speaking for UK ports’

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