

BCC: Business can't rely on just-in-time Brexit preparation

New research by the British Chambers of Commerce, released today (Monday), in partnership with the Port of Dover, finds that over a third (36%) of traders rely on the just-in-time delivery of material and components, but that many are not preparing for changes to customs procedures after Brexit.

The survey, based on the responses of over 835 businesses from across the UK that export or import, found that delays at UK or EU ports would lead to considerable business disruption, particularly for those operating a just-in-time model.

Nearly a third (29%) of companies believe they will be impacted in terms of administration, costs or operations by delays or congestion at UK or European ports after Brexit but still aren't yet planning for it.

Crucially, with less than a year to go until Brexit, one in three (33%) businesses affected by the implementation of new customs procedures still aren't planning for checks and declarations between the UK and EU.

The sheer volume and speed of trade between the UK and EU reinforces how vital it is for both government and business to be clear on a delivery timetable for the necessary infrastructure investment and systems to be in place. The government needs to promptly define its vision for the end state relationship with the EU so that businesses have clarity, and are in a position to implement the necessary changes to their operations from the start of the transition period. In the meantime, firms should be planning for how different scenarios could impact them, and consider the implications now to minimise disruption in the future.

Around a third of the UK's trade in goods crosses the English Channel in lorries via the Port of Dover and Eurotunnel, serving the just-in-time supply chain between the UK, Ireland and the rest of the EU. Maintaining fluidity throughout the journey of trade in goods, both at ports and along the key strategic road arteries serving them, is essential. 67% of respondents say it's not likely that their business will move its operations from their existing UK port to a different UK port in the next three years, but 30% say the infrastructure leading to and from ports is not meeting their business needs.

Dr Adam Marshall, Director General of the British Chambers of Commerce (BCC), said:

"While a lot remains to be agreed about the nature of the future trading relationship with the EU, the UK government has made clear its intention to leave the Customs Union. Firms need to know what checks and declarations they will have to go through on trade with the EU – and need to start planning for

the changes ahead.

“Understandably, the lack of certainty over the terms of the final settlement with the EU makes it hard to plan with confidence, but businesses shouldn’t be complacent about preparing for new processes under different scenarios. The businesses most likely to be impacted by change at the border must start thinking through the consequences for their supply chains, freight forwarding arrangements, software requirements and budgets. Leave it too late, and firms could face even greater disruption or cost when the time comes for changes to border arrangements to be implemented.

“Business needs to look hard at how they will operate under new conditions in the future, but the same applies to the Government. If there is to be minimal friction between the UK and the Continent, then physical infrastructure such as inland clearance, IT systems for quick risk assessments, as well as agreements on no doubling up of checks between the UK and the EU, must be implemented as soon as possible.”

Richard Christian, Head of Policy & Communications of the Port of Dover, said:

“It can surely be no coincidence that the cross-Channel trade corridor with the UK’s nearest and largest trading partner, of which Dover is a major part, handles around a third of the UK’s trade in goods and that a similar percentage of British traders rely on the just-in-time delivery of material or components via fluid borders and roads serving them.

“The Port of Dover provides pan-European just-in-time supply chains with the efficiency and fluidity needed by British, Irish and European farmers, traders and manufacturers, as well as ordinary citizens.

“There is no substitutable capacity elsewhere that can handle the type and volume of goods that Dover does. For the sake of UK plc, it is vital that fluidity at Dover and throughout the supply chain is maintained, by keeping checks to a minimum and any that need to be made are done away from the Port, by bringing forward targeted road investment to key trading gateways such as A2 dualling to Dover linked to the Lower Thames Crossing which we support, and through the awareness raising of businesses.

“We need to work together to ensure the shortest, most efficient route to market stays that way so that goods continue to flow and jobs are safeguarded.”

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Notes to editors:

The British Chambers of Commerce (BCC) sits at the heart of a powerful network of 53 Accredited Chambers of Commerce across the UK, representing thousands of businesses of all sizes and within all sectors. Our Global Business Network connects exporters with nearly 40 markets around the world.

For more information, visit: www.britishchambers.org.uk

The Port of Dover is Europe's busiest international roll-on roll-off ferry port. It handles up to £122 billion (or 17% of the UK's trade in goods) in 2.6 million freight vehicles. Together with 2.3 million tourist vehicles and around 12 million passengers, the Port supports the rapid movement of people and goods with the UK's largest and nearest trading partner – the EU.

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