Government set to bolster supply chains by extending cabotage rights

- thousands more HGV deliveries could be made each month thanks to temporary changes to 'cabotage' to help ensure resilience of country's supply chains
- consultation launching today would allow foreign transport operators to make unlimited journeys for 2 weeks before returning home
- package of measures also announced to support the pig industry

Thousands more HGV deliveries could be made each month in the UK under government plans to help bolster the country's supply chains by temporarily extending so-called 'cabotage' rights.

The proposals set out in a <u>consultation</u> launching today (14 October 2021) mean foreign operators that come into the country laden with goods can pick up and drop off goods an unlimited number of times for 2 weeks before they return home. Currently hauliers from the EU can only make up to 2 cabotage trips within 7 days.

Subject to a one-week consultation, the temporary measures would come into force towards the end of this year for up to 6 months, helping secure supply chains in the medium term alongside the wider package of measures government has put in place to address the shortage of drivers more broadly.

The relaxation would apply to all types of goods but is likely to be particularly beneficial to food supply chains and goods that come via ports, by ensuring lorries from abroad coming into the UK are used more efficiently, helping to tackle the temporary global supply chain pressures brought on by the pandemic and the global economy rebounding.

It comes as the government continues to address the current global shortage of HGV drivers which is affecting countries around the world, and builds on the raft of measures that have already been announced to support the sector, including boosting testing capacity and streamlining the licence process.

Transport Secretary Grant Shapps said:

The long-term answer to the supply chain issues we're currently experiencing must be developing a high-skill, high-wage economy here in the UK.

Alongside a raft of other measures to help the road haulage industry, we've streamlined the testing process and announced thousands of skills bootcamps to train new drivers. These measures are working — we've been seeing up to 3 times more applications for HGV driving licences than normal as well as a deserved rise in salaries.

The temporary changes we're consulting on to cabotage rules will also make sure foreign hauliers in the UK can use their time effectively and get more goods moving in the supply chain at a time of high demand.

The government has also announced a package of measures to support the pig industry which has faced a number of challenges in recent months because of the COVID-19 pandemic and the temporary suspension of approval to export to China for some UK pork establishments, all of which have led to a backlog of pigs awaiting slaughter. These measures come in recognition of the unique temporary circumstances farmers are facing, brought about by the global economy responding to the impacts of the pandemic and the global pressures facing supply chains worldwide.

As well as working with industry to introduce processing of animals on Saturdays and longer working days where possible, the government will fund a private storage aid scheme in England which will enable meat processors to store slaughtered pigs for 3-6 months so that they can be preserved safely and processed at a later date. Further details of the scheme will be announced shortly.

In support of pig producers in England and Scotland, the 2 meat levy bodies have also today announced a pork levy holiday — suspending payments of the levy pig farmers and producers are required to pay for November 2021. This will amount to savings for the sector of just under £1 million. The Agriculture and Horticulture Development Board (AHDB) and Quality Meat Scotland (QMS) took the decision in response to the continued build-up of pigs on farm, falling prices and high production costs.

Until 31 December up to 800 pork butchers will be eligible to apply for visas from the existing allocation in the Seasonal Workers Pilot Scheme, allowing them to travel and work in the UK for a period of 6 months. This temporary adjustment is in addition to foreign butchers already being eligible since December 2020 to apply to come to the UK through the Skilled Worker Route as part of the point-based immigration system.

Temporary visas are not a long term solution and businesses must make long term investments in the UK domestic workforce to build a high-wage, high-skill economy, instead of relying on overseas labour.

The government expects the pork sector to encourage better training offers, career options and wage increases to ensure that the sector draws on the large domestic labour pool in the UK, as well as investing in technology across the industry.

Other measures include:

- working with AHDB to support the establishments that have been delisted by China and to identify other export markets for pork
- support processors and the consumption of a variety of cuts of domestically produced pork by engaging with retailers and food service

sectors

Environment Secretary, George Eustice, said:

A unique range of pressures on the pig sector over recent months such as the impacts of the pandemic and its effect on export markets have led to the temporary package of measures we are announcing today. This is the result of close working with industry to understand how we can support them through this challenging time.

The government has already announced a <u>raft of measures to address the global shortage of HGV drivers</u> including increasing the number of weekly HGV tests available by 90% compared to pre-COVID levels, streamlining the testing process and announcing training for up to 5,000 new drivers through skills bootcamps.

Efforts to raise the profile of the road haulage sector and encourage people into the career are also already proving successful, with up to around 16,500 hits per day on the new GOV.UK becoming a lorry or bus driver site — while the DVLA has seen up to 3 times the number of applications for provisional HGV driving licences than normal levels.

The <u>consultation to temporarily amend cabotage rules</u> has launched today and will run until 21 October.