

Joint Shippers' and Customs & Trade Council Meeting
Wednesday 01 November 2023
Nestle House, York.

1. Chair of the Shippers' Council, Ryan Allender from Nestle, opened up the meeting, welcomed everyone and reminded attendees of Logistics UK's Code of Conduct for meetings and the need to adhere to competition legislation.
2. Matt Harrington from Logistics UK gave an overview of the new **Executive Membership** now available.
3. Members held a **roundtable discussion on topical issues** affecting the industry. N. Mallon gave an update on BTOM, Windsor Framework, UK EU TCA change on Rules of Origin due to come into effect in January 2024 impacting electric batteries and vehicles and CBAM. J Fenton gave an update on revised dates for the introduction of CDS Exports and NCTS5 and a request from HMRC for members to participate in STW User Research.

Members discussion

A number of members reported that business was going well.

Windsor Framework - Preparation and implementation of the first stage of the Windsor Framework is ongoing. One member said they were encountering uncertainty from customers on their requirements for green lane movements but is working with DEFRA to address this though there are still questions and challenges to be worked out.

BTOM – members highlighted the need for urgent release of all guidance in line with deadlines detailed in the annex of the final version. **Action – NM highlighted Logistics UK lobbying actions on the BTOM with plans to accelerate activities.**

Shipping – Members advised there is space and volume, so things are moving but highlighted the following challenges: securing carriers to come into collect consignments, availability of food grade container, monitoring elections & tensions in Bangladesh for any potential impact on trade flows. With rates falling, members are interested in what Shipping Lines will do next year in response. One member raised container cleanliness and any policy changes. **Action: Logistics UK to provide an update on the latest policy environment on container cleanliness.**

CBAM – one member raised an issue currently being experienced with one of their commodity codes being incorrectly classified by EU Customs. Members shared advice on potential processes for resolving this. **Action –The member thanked fellow Council Members for their advice. N Mallon invited the member to contact Logistics UK if, following this advice, the issue remains unresolved.**

4. **Update on STW – Max Hacon, STW Programme Director, HMRC.**

Members discussion

Information was sought on the interoperability of the STW with global systems. Response – this is the ambition, but it will take time. In response to a query on the protection of commercially sensitive information, HMRC said it was very aware of this and working to address commercial concerns.

On whether use of the will STW be compulsory, the response was - yes for i.e., action with government at the border but this will only be when the system is ready (i.e. not within the next few years). In response to a query as to its ability to interface with excise systems, HMRC said the STW will not replace all other government systems but provide a single portal /entry point to all departmental systems.

Action – Slides to be shared.

Action – HMRC to provide STW timeline for members.

5. Update on the EC's decision to end the EU Block Exemption Regulation – James Hookham, Director, Global Shippers Forum.

Members discussion

Members noted this issue and concern has been around a long time. One member said they would like to see Alliances continue as they do deliver some benefits. J Hookham confirmed that Alliances can continue but from April 2024 must operate under horizontal competition guidelines in line with other sectors. **Action – Slides to be shared.**

6. UK-EU TCA – industry priorities for removing barriers to trade. N Mallon reflected members feedback so far - challenges from Rules of Origin, CBAM, lack of clear guidance available for UK traders, inconsistencies in interpretation and processes, customs delays and misapplication of VAT. In the medium to longer term – a number of members have expressed support for new SPS and Safety & Security Agreements to remove and reduce friction on trade.

Members discussion

The lack of Bilateral trade is currently causing operational and admin challenges.

Regulations, triangle trade, co-packing and co-manufacturing. There are issues with pet food under triangle trade.

Cross trade – allow more flexibility on when cross-trade movements can be carried out, particularly to and from Ireland.

Ireland doesn't have a large enough art market to support specialised fine art handling companies providing the high-end services demanded by the major Irish museums and galleries, and the lenders to their exhibitions. Historically UK companies have provided these services, moving very high value art exhibitions to and from Ireland and the Rest of the World. Now the need to have made a delivery to EU before carrying out a cross-trade movement makes that difficult and often results in increased costs for the Irish or ROW borrower.

Safety & Security – an agreement that removed the need for ENS declarations going into EU (and soon to be required coming into UK) would be welcomed. EXS is not such an issue as they're normally combined with the export customs declaration.

Members can send through any further TCA feedback to N. Mallon or J. Fenton.

7. FTA

Members were given an update on the ongoing FTA with India. Due to the live nature of the negotiations, officials were not able to go into specifics, however the summary covered investment, rules of origin and intellectual property. J. Fenton asked a question about the role and thought process officials have with the logistics sector when conducting FTA negotiations. **Action - This was a question that the officials were going to take away and come back with an answer on.**

8. **Terms of Reference Review (i) Shippers' Council and (ii) Customs & Trade Council.** Due to time constraints members were asked to provide feedback after the meeting via email. **Action - Members to send feedback to N. Mallon (re Shippers Council) and J. Fenton (Customs & Trade) before COP Friday 10th November 2023.**

9. Dates of next meetings & AOB

Dates for the Shipper's Council **Wednesday 28 February 2024** and **Thursday 30 May 2024**. Place holders should already be with members for these.

Dates for Customs and Trade are tbc and will be confirmed shortly.

There was no AOB raised.

Attendees

Ryan Allender (Chair)	Nestle UK
Nichola Mallon (Secretary)	Logistics UK
Josh Fenton (Secretary)	Logistics UK
Tony Beadle	M&S
Laura Lloyd	M&S
Joanna Curtis	Primark
Bernedette Smith	Nestle UK
Becky Mortimer	Nestle UK
Alice Mcpheson	Nestle UK
Mick Thompson	Nestle UK
Tracy Ferris	Sibelco UK Ltd
Jorèl Wit	Sealed Air Ltd
Kay Woodhouse	Co-op
Tamara Bailey	CPL Distribution Ltd
Steve Gourley	Momart
Ian Moran	EV Cargo
Emma Leam-Saville	DFDS
Alexandra Herdman	Logistics UK

Michelle Gardener
Kate Jennings
Matt Harrington

Logistics UK
Logistics UK
Logistics UK