EU Entry/Exit and the UK border: Response to Call for Evidence by the European Scrutiny Committee.

12 January 2024

Summary

Logistics UK welcomes the opportunity to respond, on behalf of our membership, to this important inquiry by the European Scrutiny Committee.

To ensure the smooth and efficient flow of freight and UK EU trade:

- Logistics UK is calling on the UK government to work in partnership with the French government and European Commission to secure an immediate extension to the autumn 2024 deadline to facilitate delivery of a bespoke EES solution at juxtaposed borders.
- Logistics UK believes the only viable solution for unique juxtaposed borders is for biometric scanning to take place away from the border through a web-based system or App.

About Logistics UK

Logistics UK is one of the country's largest business groups, representing the entire logistics industry and supporting, shaping and standing up for safe and efficient logistics. Our membership of more than 21,000 includes global, national and regional businesses and SMEs spanning road, rail, inland waterways, sea and air as well as the buyers of freight services, such as retailers and manufacturers. As an organisation, we deliver services, representation and thought leadership, helping members and policy makers to seize new opportunities for the sector and the economy as a whole, right across the country.

What we represent

Logistics is a sector delivering an increasingly safe, sustainable and efficient system of national infrastructure – creating opportunities across the UK and linking the UK to the global trade network. Spanning land, water and air, it delivers for everyone, everywhere, every day.

- Logistics delivers big public value on small margins, ensuring the availability of the products households, businesses and public services rely on. It moves goods more than 200 billion tonne-km within the UK per year and enables the trade of more than £1 trillion of goods, while working hard to avoid adding pressure to the cost of living.
- The sector delivers smart, green, resilient growth and jobs. It contributes £163 billion to the economy each year (12% of UK non-financial GVA), employs 2.7 million people (8.2% of the UK workforce), pays £5 billion in revenue to Treasury through Vehicle Excise Duty (VED) and Fuel Duty, in addition to other taxes. It is becoming ever more innovative and integrated – within businesses and between logistics sites and transport modes. Its key hubs provide a catalyst for further growth and investment, helping places to thrive.
- Logistics delivers for the future, as an essential system for growth. It underpins the whole economy, with an economic footprint three times larger than its direct GVA contribution, with the public sector and other private sector businesses spending 15% of their total input-related spending on logistics services per year.

Consultation response

Logistics UK welcomes the opportunity to respond to this inquiry and wishes to put on record our appreciation to the European Scrutiny Committee for its focus on such an important issue when it comes to the movement of freight and UK EU trade. Logistics UK has engaged with our membership to inform this response.

Juxtaposed Borders require a bespoke solution.

In respect of the EU's Entry/Exit System (EES), Logistics UK's central concern is that the legislative requirement that new physical biometric scanning must take place at the border will add significant pressure and cause knock on delays and disruption to freight moving via juxtaposed borders on UK soil. This scheme was designed with EU airports in mind, and Logistics UK is calling for the unique situation at juxtaposed borders, particularly at the Short Straits, to be given further consideration and for a bespoke, pragmatic solution to be found to the benefit of the UK, French and wider EU economies.

If checks are required at these borders, this will add significant friction to the movement of people and goods as additional time will be required to process this authentication. While passengers will be predominantly processed via EES, the volume of passengers undergoing checks, particularly on coaches, will lead to additional delays for outbound freight with knock on effects for the pick-up and transportation of imported consignments via the Short Straits. While normally efforts are focused on trying to ensure tourist and freight flows work in harmony, with tourists peaking in the morning and freight peaking in the afternoon, if the tourist peak is not processed quickly enough and not cleared then that inevitably impacts on the ability to handle the freight peak. Based on the volumes seen during a typical summer getaway weekend, that would equate to around 70 miles of freight traffic being impacted with all of the associated negative impacts on driver welfare. Furthermore, under the current requirements, regular registration will be required. This means that first time registration stops, with resulting knock-on effects on freight movements, are likely to remain continuously high and consistent, especially during peak tourist periods.

The Port of Dover and Channel Tunnel are key gateways for UK EU trade. Whilst these are both based in the South East of England, freight passing through these points of entry is then further distributed throughout the rest of the UK highlighting their critical importance on a national scale. As they operate via juxtaposed borders, any congestion, delay and disruption will acutely affect supply chains and logistics operations and will have serious consequences on the strategic and local road network in Kent as well as on the wider UK economy. Impacts will also be felt at French ports, demonstrating the need for a bespoke solution that benefits both the UK and French economies.

EES Interaction with BTOM

Logistics UK is concerned about how EES will interact with the Border Target Operating Model (BTOM). The combination of both these schemes, coming into effect in 2024, could cause significant delay and disruption to UK EU supply chains and the logistics sector given the potential combined impact on traffic congestion.

The combination of EES and BTOM is likely to lead to backlogs of traffic and increased disruption for local communities and businesses in Kent as well as the wider South East of England road infrastructure. The fragility of current infrastructure is highlighted through the ongoing need to deploy Operation Brock on the M20/A20, and as evidenced in Visit Kent's 'Business Barometer' survey in August 2023, Operation Brock has a significant impact on local businesses. 13% of businesses who responded to this survey said that Operation Brock had had a negative impact on their businesses due to traffic congestion, with 57% of these businesses reporting that their visitor footfall had decreased between an estimated 1% to 40%. The survey also reported that for attractions in Kent who responded to the survey, their top concerns included loss of footfall (53%), followed by travel disruptions (38%) with 21% of these businesses specifically citing Operation Brock as a concern. This is all before the implementation of new border requirements as a result of EES, ETIAS and BTOM.

In addition to new EES related congestion, there is likely to be additional congestion and disruption created by the new BTOM requirement for freight traffic carrying imported SPS goods to travel to Sevington Border Control Post (BCP) for physical checks. This traffic congestion could disrupt 'just in time' supply chains in particular, where any delays reduce shelf life and the value of products, as well as increase wastage. The UK is reliant on importing a significant proportion of its food, and EU countries continue to be the main source for Food Feed and Drink (FFD) imports. Substantial delays at the Short Straits and Kent, with the resulting impact on freight export and import flows, could significantly impact EU UK trade and see a reduction in product choice and availability in UK supermarkets.

Logistics UK members are also concerned that EES and the BTOM is highly likely to lead to driver shortages to cover European work, which in turn would cause costs to rise with potential inflationary impact. They are also concerned that requirements to have a UK ETA or EU ETIAS could affect their flexibility to change drivers at short notice.

The logistics sector is vital for driving the UK economy. For all of these reasons logistics operators are concerned that the outworking of current proposals, and combined effects, will create further barriers for the industry and at a time when it is already operating in challenging circumstances and under tight profit margins.

Logistics UK's key policy asks.

To ensure the smooth and efficient flow of freight and UK EU trade:

- Logistics UK is calling on the UK government to work in partnership with the French government and European Commission to secure **an immediate extension to the autumn 2024 deadline to facilitate delivery of a bespoke solution at juxtaposed borders to ensure the smooth flow of freight and UK EU trade.** Additional friction and delay at these borders will be detrimental to UK and EU businesses, logistics operators and ports. It is in the interests of both the UK and EU economies to ensure a pragmatic, bespoke solution is found.

- Logistics UK believes the only viable solution for points of entry with unique juxtaposed borders is for **biometric scanning to take place away from the border, through a web-based system or app**. This would ease friction at these key UK EU trading gateways and will enhance the efficiency of freight and ultimately trade between the UK and the European continent.

Conclusion

Logistics UK is concerned that EES in its current form, if implemented, will cause friction, disruption and delays for UK and EU freight utilising gateways with juxtaposed borders with significant negative consequences for logistics operators, supply chains and UK and EU economies. Juxtaposed borders are a unique arrangement that warrant a unique solution. The UK and EU, most recently via the Windsor Framework Agreement, have shown how constructive partnership working can result in pragmatic, bespoke solutions for unique circumstances. Logistics UK is keen to see a similar outcome for juxtaposed borders on UK soil given the mutual benefits to be gained by UK and EU traders and both economies.

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