

# Brexit - a haulage perspective

## The RHA View

1. The single biggest concern of the RHA membership is to ensure that the road haulage sector has the ability to continue to meet its customers supply chain obligations.
2. The challenges faced are serious. There is a significant risk to supply chains dealing with exports and imports if we fail to ensure that international road haulage moves quickly and reliably after the UK exits the EU.
3. To achieve quick and reliable road haulage the RHA membership has identified three key priorities that will need to be addressed during negotiations:
  - **Seamless customs through ports<sup>1</sup> and borders** (so that supply chains have a high level of reliability).
  - **Unimpeded access for international road haulage operators in the UK and the EU** (that is full access for UK and EU road operators transporting goods to, from and through the UK and the EU.)
  - **A system that allows lorry drivers to be recruited from outside the UK** (including retaining current drivers from the EU, which we estimate to number 60,000).

## Customs bottlenecks

4. In the last year 4.4 million driver accompanied freight vehicles moved between the UK and continental Europe. The overwhelming majority of these movements took place on ferries through Dover or by shuttle through the Channel Tunnel, almost none of these required a customs clearance process at the port.
5. Road movement in Ireland are also free of all customs controls. Many supply chains treat the island as a single territory for distribution purposes
6. Freight traffic between the UK and the EU does not require customs control now, but on exit from the EU it is likely that all shipments will require customs control. (Non-EU traffic is subject to customs control, however the volume of non-EU traffic by road is very low).
7. Each vehicle can contain many individual shipments, there is no data on the number of individual consignments in vehicles entering or leaving the UK with EU goods.
8. Current customs systems (where clearance is usually done on entry or exit from the UK for non EU traffic) slows the movement of the vehicles. This slow-down is generally between 20 minutes and 4 hours.
9. There is no space at the ports to handle the volume of traffic that will require customs clearance exiting or entering the UK. Handling clearances at the Irish border will be a major challenge. A solution needs to be found that will allow rapid, even instant, clearance at ports, airports, inland terminals and at the Irish land border.
10. **A solution needs to be found, we believe this will require a substantial increase in Customs resourcing to deal with driver accompanied traffic. We recommend that a working group be established to deal with Ro-Ro and Irish land border issues, with industry participation, to prepare for the improved service levels that will be needed to ensure supply chains are not disrupted.**

<sup>1</sup> Including airports and inland terminals.

11. Failure to solve the problem will result in massively disrupted supply chains – this will impact manufacturing, food distribution and retail. There will also be major disruption on the road network as trucks wait to access or leave ports or border crossings.

### Unimpeded Access for international road haulage

12. Trucks working internationally in the EU have a Community Licence<sup>2</sup> which authorises the vehicles movement.
13. The RHA would like to see the continuation of the Community Licence system for international road haulage movements. This simple approach will provide the highest levels of access, safety and accountability in the sector at the lowest cost.
14. If using the Community Licence by UK companies is not agreed an alternative will be needed. Any alternative must avoid quota limitations on international road haulage activity. **There must be no limits imposed on the amount of road haulage activity that is authorised between the UK and any other EU state.**

### Drivers

15. There remains a requirement for some flexibility in recruiting labour to work in the sector. The RHA advocates that immigration control systems should be based on industry need not on wage levels.

### About the RHA

16. The RHA is the leading trade association representing road haulage and distribution companies, which operate HGVs as profit centres. Our 7,000 members, operating near to 100,000 HGVs, range from single-truck firms to those with thousands of vehicles. These companies provide essential services on which the people and businesses of the UK depend.

### Notes and data

17. **International vehicle movements.** In the year up to June 2016<sup>3</sup> 4.4 million powered freight vehicles moved between the UK and mainland Europe (does not include Ireland). Nearly 4 million transited through the Dover Straits route by ferry or tunnel. (There is no data on the number of individual consignments in these vehicles – if customs formalities are required each consignment would require customs clearance).
18. **Market Share of international road haulage.** The UK - International road haulage market is dominated by non-UK operators. Over 86% of the freight traffic moved in and out of the UK (not including Ireland) is moved by non-UK Operators.
19. **The Logistics Sector.** The wider transport , distribution & logistics sector employs 1.5m people, £76.8 billion GVA, £24.1 billion exports, £21.7 billion imports.<sup>4</sup>
20. **More information is available at [link to main Brexit paper]**

03 February 2017

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<sup>2</sup> The “Community Licence” is used to authorise international commercial road haulage in goods vehicles over 3.5t maximum gross weight within all EU States plus Iceland, Liechtenstein, Norway and Switzerland.

<sup>3</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/552987/roro-april-to-june-2016.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/552987/roro-april-to-june-2016.pdf)

<sup>4</sup> <http://www.cbi.org.uk/cbi-prod/assets/File/pdf/making-a-success-of-brexit.pdf> CBI, December 2016.