Twitter Thread by seanwhelanRTE



seanwhelanRTE
@seanwhelanRTE

Ian Wright of Food and Drink Federation says transport will get worse - trucks corssing short straits now about 2,000 - normally 10,000. Also Irish sea volumes very light, system not stressed but will be

Was Covid crisis a dress rehearsal for Brexit? Supply chais for food and medicines kept running. No, says Ian Wright, because there was no paperwork. Says Covid health checks at Dover was more of a dress rehearsal. Says backlog from that was still being cleared on NYE

Andrew Opie says Covid food supply was internal challenge, not external. Learnings from Dover: problem is often empty food lorries going back to Fr, ESP etc - about 1/3rd going back empty - being prioritised to keep food supply going

Stephen Kinnock MP says steel exports subject to quota - above quota tariff of 25% applies. Exports GB to NI count as part of export quota to EU (Port Talbot steel works in his constituency)

Phipson of Make UK says there are easements that could be put in place for steel and other matters but claims EU reluctant to do so for political reasons

says Make UK is getting 2,000 calls a day to its help line and vast majority of them are from SMEs concerning Rules of Origin issues. Says most of them had no idea this was coming

says freight costs for exporters going up, and there is grave shortage of customs agents who can deal with all the complex paperwork needed for import/export trade from UK

Wright says existing customs agents are working at a very high intensity - not only is there a shortage of agents, but they are not used to working at this intensity over 24/7 basis. FDF thinking about buying a customs agent company for their own members

Opie says shortage of Vets will also cause problems - just about holding it together at the moment. Members surprised at the sheer volume of bureaucracy, a lot of it is manual, a lot of resource required to support customers

Wright - we were supposed to have a transition period of about a year, instead we got one or roughly 24 hours from not knowing to knowing contents of deal. Also points out it takes 7 years to train a vet

Opie says no major problems with IT systems, but worried about April, when UK import system starts, including vet certification for food imports of animal origin

Make UK says customs systems working OK, but stresses only dealing with low volumes at the moment - scale issue will only appear at the end of the month

One Scottish MP says fishermen in her constituency have given up exports. Loading catch at midnight and delivering later that morning to France is now a three day process due to bureaucracy. 85% of catch used to go to EU

says export health cert for languoustines takes 24 hours. Same problems for NI exports as for exports to mainland EU

Opie says getting rid of the 24 hour notification would be big improvement. Says encouraged to read in Irish newspaper that IRL govt considering such a move (within its powers)

says sending a Lasagne from GB to IRL is extremely somplex, and has to be renewed every month. Is not very adaptable to retail or FMCG approach. We need the EU to move to digital service to enable trusted trader self certification to allow faster movement

Opie says UK retailers operating in IRL surprised at how complex and difficult this is - and these companies are not SMEs, they are well resource big companies

Opie says he is less concerned about import regime from April, as the govt is looking at more digital and risk based solutions. Thinks it will be easier on UK side of channel. Will need EU to improve its processes, and UK will need to follow EU systems more closely

says border plan for 2025 is in favour of more progressive customs regime, hopes EU will look at this and perhaps follow it.

Opie says SP15 pallet shortage has not been a big issue so far. dont know what approach French or Irish will take to this (SP15 is heat treated pallet to prevent import of pests into EU)

"Trusted Trader" issues: movement of food is not part of scheme. Signing up for AEO is complex and lengthy process, amd members not seeing much benefit from it until process for EU is much more digitised and you can follow papertrail

Wright says Rules of Origin issue will take a long time to sort out, and will lead to re-engineering of supply chains. also professional qualifications, and impact o divergence on rules, with UK and between Uk and biggest customer are the main issues he foresees

Hilary Benn asks why EU should grant easements to the UK? Not granting them might advantage EU businesses. Phipson says highly integrated manufacturing chain in Europe, esp presence of EU companies with big investmets in UK that argue

for easements. Siemens, Finmechannica etc

Wright says EU benefits from easements by having more consumer choice. also 25 to 30 of top 100 suppliers in UK food chain are EU companies - EU ought to be looking after them. IN food and drink EU and UK are each others biggest partners, so no sense to damage that

Opie says RoI stores have direct impact because supply chains go via GB - need easements to benefit consumers

Opie belives things will get worse before they get better. Food still moving across border, stocks built before Xmas need to be replenished. Expect volume to increase, know French stepping up checks and uK companies not prepared.

Opie says this is the peak time for importing food into UK, this is probably the worst time of the year to be trying to manage disruption on the short straits. If we could magic ourselves forward to june could pick up most of the fresh food from UK farmers

Phipson - "this looks like a five year deal with a one year termination clause". Says in context fo investment in car plant you are talking 7-10 yer investment horizon, question is deal enough for companies to justify. Also need long term industrial policy to mitigate risk

Long term industrial strategy essential for companies to know what is investable over the next five years

Wright - concerned that the break clause comes around the time of the next General election. We could go back to some sort of debate around what sort of relationship we would have - not particularly helpful for investment decisions

Wright - size and scale of UK market makes it attractive for investors and traders in all circumstances