

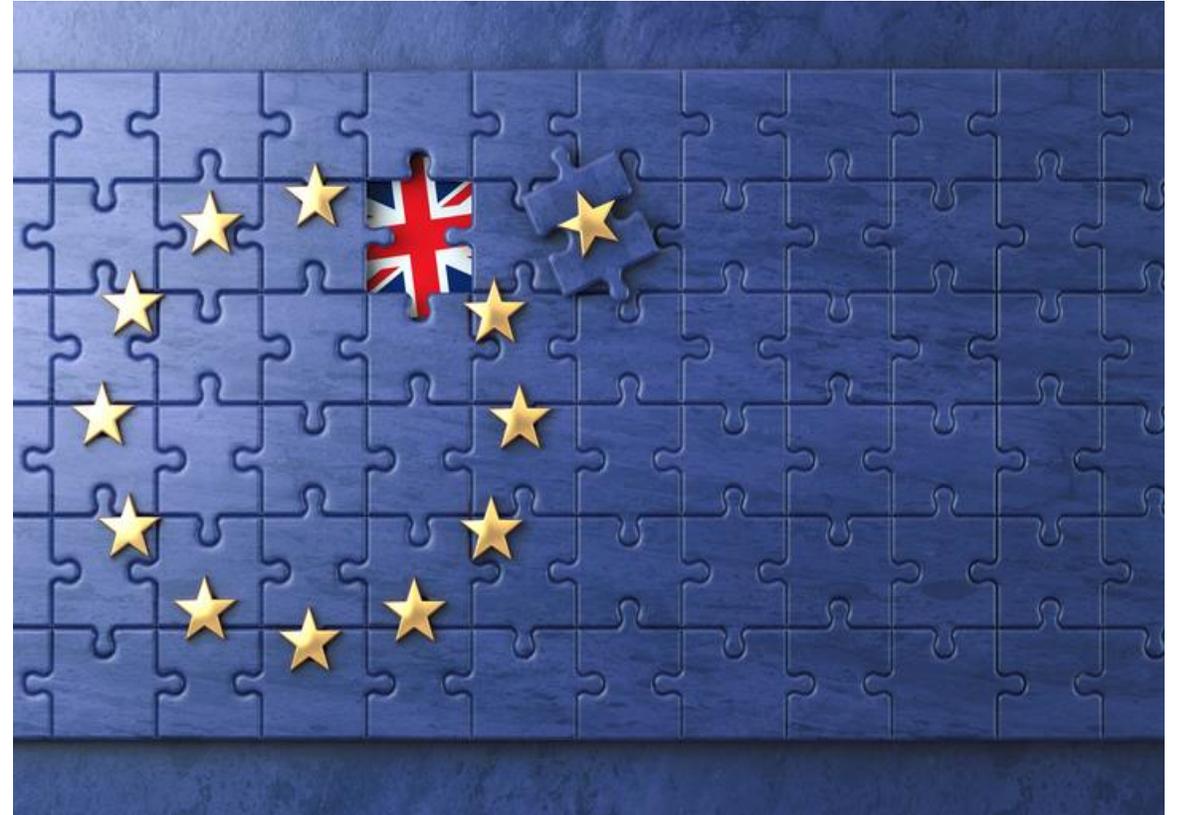
ELP DINNER DEBATE 29 NOVEMBER 2017
STEVE PARKER, CLECAT PRESIDENT

TRANSPORT, TRADE AND BREXIT



2 INTRODUCTION

1. About CLECAT and the role of the Freight Forwarders
2. Current challenges in border related issues
3. The impact of Brexit
4. How to cope with it



3 ABOUT CLECAT



CLECAT represents the interests of companies in logistics, freight forwarding and customs services.

Multinational, medium and small freight forwarders and Customs agents are all within its membership.

European freight forwarders:

- ✓ Clear around 90% of all goods in Europe
- ✓ Handle 65% of cargo transported by road
- ✓ 95% of cargo transported by air and
- ✓ 65% of cargo transport by ship.

4 THE ROLE OF THE FREIGHT FORWARDER

The services of a freight forwarder:

- ✓ Choosing, buying, arranging and planning of different transport modes
- ✓ Consolidation, storage, handling, packing and distribution
- ✓ Dealing with customs, fiscal matters and declaring goods for other official purposes
- ✓ Procuring insurance and collecting payments or (value) documents
- ✓ Safety and security related services for food, medicine, high value- and dangerous goods



5 CURRENT CHALLENGES IN BORDER RELATED ISSUES

Lots of pressure on private and public sector because of

- ✓ Safety and security issues
- ✓ Increased trade barriers
- ✓ Anti-(tax)fraud and evasion measures
- ✓ Ever increasing food-, health- and environmental regulations
- ✓ More and smaller transactions and shipments
- ✓ Growth of international trade
- ✓ & EU is implementing new Customs Code together with 35 pan-EU IT projects (almost all systems and authorisations need to be replaced by 2020)



This all leads to:

- Increased complexity and risks
- Decrease of “service” from border agencies
- Delays and backlogs in administrative procedures
- IT (capacity) issues – constant changes and regular system breakdowns
- Huge lack of trained people – both in public and private sector



7 THE IMPACT OF BREXIT ON CUSTOMS

Some misconceptions:

- Customs is not a paper-based procedure anymore (99% of all declarations in EU is electronic)
- Almost no need to stop at a border anymore (extensive use of already existing authorisations and simplifications, without AEO)
- Physical customs checks only <5% (automated risk assessment) and physical checks can be replaced by other technological means like (x-ray) scanning
- Customs is not the only agency doing inspections of goods crossing borders (food health & safety, aviation security, pharmaceutical, immigration, etc)
- Especially agricultural inspections are concerning – still paper-based and stops and physical checks needed at the border

Going back to a situation of before 1995, doesn't mean the customs processes will be the same as before 1995

Although it will be new for many companies, the issues are not new, they just become bigger

Still, very important to deal with. Especially capacity of customs professionals in public and private sector



8 THE IMPACT OF BREXIT

Whatever the outcome of the negotiations will be...

- Thousands of new customs experts (with the right skills) are needed in the EU and UK
- IT systems need to be able to cope with millions of extra declarations, notifications etc
- On top of the re-assessment of the existing customs authorisations, hundreds or maybe even thousands of new authorisations need to be assessed and granted
- Thousands of companies which haven't dealt with extra-EU trade before, need to be made aware of the procedures, possibilities and the risks of doing so

It would take several years to achieve this, but we only have a bit more than a year left.

Authorities are starting to prepare for a worst case scenario and funds are being made available, but what about the private sector?



9 HOW TO COPE WITH BREXIT

Two tier approach is needed AFTER March 2019

- Short-term and long-term

Short term: transition period until stakeholders (public and private) have:

- Updated systems (the new UK system "CDS" is very worrying. It is the same as NL implemented in the past years. Good system, which is future proof, but it took 4 years before all declarations could be done without issues)
- Authorisations and procedures in place
- Hired and educated new employees
- Implemented the final "deal", if there is any (it also has to be noted that even though a free trade agreement leads to lower duties, it does add complexity and risk to the customs process itself)

Implementing new IT systems or new "innovative" procedures directly at the start could lead to even more complexity, confusion and thus chaos directly after a Brexit.

Please give us some time, clarity and a stable environment to cope with Brexit



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**THANK YOU FOR YOUR
ATTENTION**

