

11<sup>th</sup> March 2019

The Rt Hon Theresa May MP  
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Dear Prime Minister

In your Lancaster House speech of January 2017, you promised that cross-border trade with the European Union would be “as frictionless as possible” after Brexit. We believe a No Deal departure from the EU would not deliver on that promise and would be highly damaging for trade, business and Britain.

With just over two weeks until the UK’s scheduled departure from the EU, the logistics sector, which keeps Britain trading, is no closer to knowing and understanding the conditions under which it will be expected to deliver what the nation needs from the end of March 2019. Logistics businesses are already wasting millions of pounds trying to prepare for an unclear trading environment, and negotiate commercial contracts beyond the end of March 2019 that carry significant risk because of profound uncertainties over frictionless trade.

An effective supply chain is vital to Keep Britain Trading and directly impacts over seven million Britons employed in making, selling and moving the goods that affect everyone, everywhere. To suggest that a No Deal departure in March would not place severe restrictions on the movement of goods is ignoring the facts. That outcome, and the adoption of complex WTO trading rules, would very likely lead to chaos in supply chains, triggering panic buying, inflation and job losses because of:

- Gridlock caused by the need to implement new customs processes and checks. Imperial College’s research has identified that a 60 second delay at the border checking a truck will cause a 17 mile tailback from Dover, the UK’s closest link to the continent. With Operation Brock unable to accommodate all the 15,000 vehicles using the Dover-Calais link daily, disruption is likely to spread quickly across the strategic road network. Similar delays and congestion are anticipated at other Channel ports.
- Immediate, acute shortages in perishable foods and vital specialist medicines, wasted because they are stuck in traffic jams.
- Further restrictions in the labour market needed to Keep Britain Trading. There is already a growing shortage of more than 53,000 HGV drivers and a further reduction in the number of European staff on whom the supply chain depends will more than double the number of current vacancies across the sector.
- Severe delays for imports and exports, critical to supporting the UK’s manufacturing and retail sectors and the nation’s “just in time” economy.

Whatever the solution for Brexit – Deal, No Deal or No Brexit – we are urging Government to ensure there is sufficient transition time for industry to learn, adapt to and implement the necessary processes. The priorities for the logistics sector are clear:

- Confirmation of continued frictionless access for vehicles on both sides of the border
- Clarity on payment of tariffs and duties – how, when and where they will be payable, at which level, to which organisation and by whom and how they will be collected. Most importantly,
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- which systems will be needed to implement checks and payments, how they are to be made available and who will be paying for them.
- Ensuring continued access to vital skilled workers from the EU, and allocation of training funds from the Apprenticeship levy to enable logistics businesses to upskill UK employees in the absence of appropriate standards
- Minimising red tape for imports and exports, particularly to avoid border delays and to reduce the burden on businesses already charged with delivering for Britain.

The logistics industry always does its best to Keep Britain Trading – it is flexible and adaptable (given sufficient time) but is not, and cannot be, prepared in such a short time to make good the chaos of a No Deal Brexit in March.

Please be under no illusion that a rushed No Deal will halt Britain's supply chains, and that will have an immediate and lasting impact on the UK economy.

Yours sincerely



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President FTA



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