

The Logistical Challenges of Brexit from a British Perspective

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Questions and solutions on the effects of Brexit on the logistics industry

Logistics Alliance Germany

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Impact of Customs Checks on Cross-Channel Services

Dover



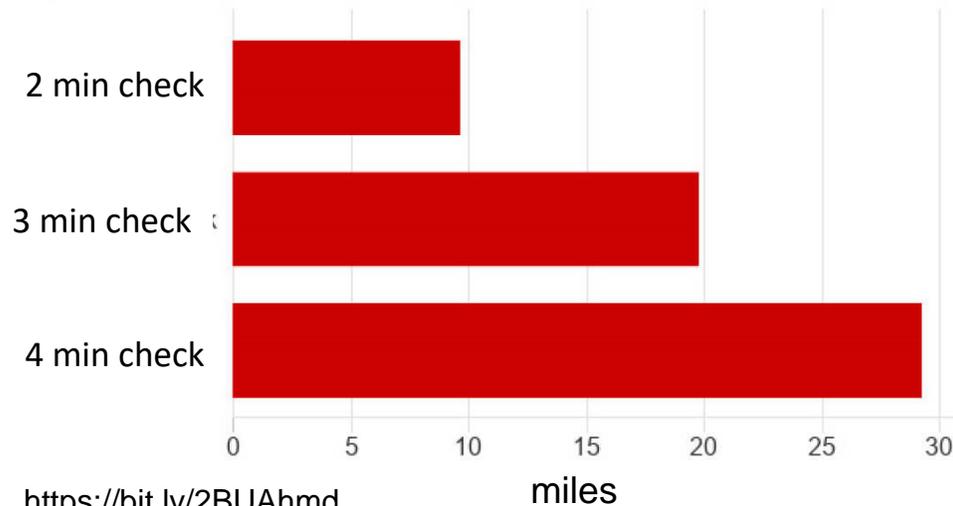
Dover Straits: 17% of UK total trade in goods 65% of UK-EU RoRo lorry traffic.
 average of 7000 trucks per day (rises to 10,000 / day) <http://reut.rs/3pl91Ek>
 pre-Brexit EU trucks around 2.0 minute port transit time
 pre-Brexit <3% of trucks are non-EU – *requiring customs documentation / checks*
 UK out of Customs Union – *outbound trucks require documentation / checks*
checks on inbound freight phased in over 6 months

Imperial College London research

How the time taken to check vehicles affects traffic

Length of peak time queue in miles along the M20 and A20

■ Queue from Eurotunnel and Dover



<https://bit.ly/2BUAhmd>

miles

UK government '*reasonable worst cast scenario*':
 30-50% of trucks not 'border-ready'
 queue of 7000 trucks 2 day delays

<http://bit.ly/3ohaUAH>



lorry jams: a Brexit nemesis?



<http://bit.ly/2YeyraR>

1. **Level of economic activity lower:** partly due to Covid lockdowns

2. **High levels of stockpiling in anticipation of post-Brexit disruptions.**



<http://bit.ly/39d9NgU>

17% of members importing and exporting '*far less*' due to stockpiling

23% will run low on stocks over the next few weeks

3. **Customs problems suppressing level of UK-EU trade:**

<http://bit.ly/3sU9dfV>

150,000 UK businesses trade only with EU - had no experience of customs

5-fold increase in UK customs declarations from 50m to 250m per annum (£7bn cost)

<http://on.ft.com/39ZlkPc>

Government support has been too late and failed to get business Brexit-ready



<https://bit.ly/3myVDdv>

GUIDANCE DASHBOARD – DECEMBER 2020

Brexit: 24 days – 24 huge unanswered business questions

Chronic shortage of customs agents: *50,000 more needed <25% recruited?*

<http://on.ft.com/36cmZAR>

Acute shortage of T1 transit documents providing financial guarantees

<http://bit.ly/3qSIiPE>

20% of SMEs have suspended trading with EU because of customs paperwork



<http://bit.ly/3qMXv4O>



The Observer 24 January 2021

Move to EU to avoid Brexit costs, firms told by government officials!

Exporters advised by Department for International Trade officials to form EU-based companies to circumvent border issues

● **Brexit nightmare: British businesses at breaking point**

<https://bit.ly/3myVDdv>

Absence (so far) or serious truck gridlock: *the reasons*

4. Reduction in logistical capacity on UK – EU routes

EU-based hauliers responsible for 90% for road freight movements on cross-Channel routes <http://bit.ly/3pgTWng>

Reluctance of carriers to commit vehicles and drivers to cross-Channel routes:

- high congestion risk - *bad experience of December 2020 gridlock* <http://on.ft.com/2Ye0Opl> <http://bit.ly/2Y8L6Mu>
- fear that consignments will have wrong customs paperwork – *reports of 5-20% customs errors*
- UK-EU traffic imbalance – *difficulty of finding backloads exacerbated by Brexit*
- UK-EU trade deal reduces opportunities for cabotage – *only ‘basic cabotage’ permitted*
- poor facilities for drivers held up in long queues (‘Operation Brock’) and lorry holding areas



major carriers suspended services to and from UK

TRANSPOREON

<https://bit.ly/2Nqd1oS>



SCHENKER

now resumed



Jan 2021: business rejection rate on UK routes

up 168% relative to 3rd quarter of 2020

Freight UK-EU freight rates rising: *e.g. 50% increase on UK to France rates relative 3rd quarter or 2020 (Transporeon)*

Road haulage supply-side problems likely to worsen as UK-EU freight demands increase

Supply chain disruptions

Scottish seafood exports to EU markets

- highly time-sensitive
- sourced from peripheral location
- food product requires biosecurity checks
- usual customs documentation



Scottish fishing industry protest London 19-1-2021

<http://on.ft.com/3qOyxSH>

less-than-truck (LTL) / groupage / parcels

many consignments → multiple risks of errors in customs documentation

consolidation of orders from many SMEs
new to customs clearance

full-truck-load (FTL)

Single, point-to-point consignments →
easier, more robust customs process

larger businesses generating full loads,
experienced + well-prepared for customs

‘Soft Brexit – there is no such thing. This is horrific...we woke up and realised that this car crash was happening, we thought, oh my God!’ ([Andrew Moss, MD of Horizon](#) (supplier of marketing displays) *Observer* 24-1-2021 <http://bit.ly/39ZkQJS>)

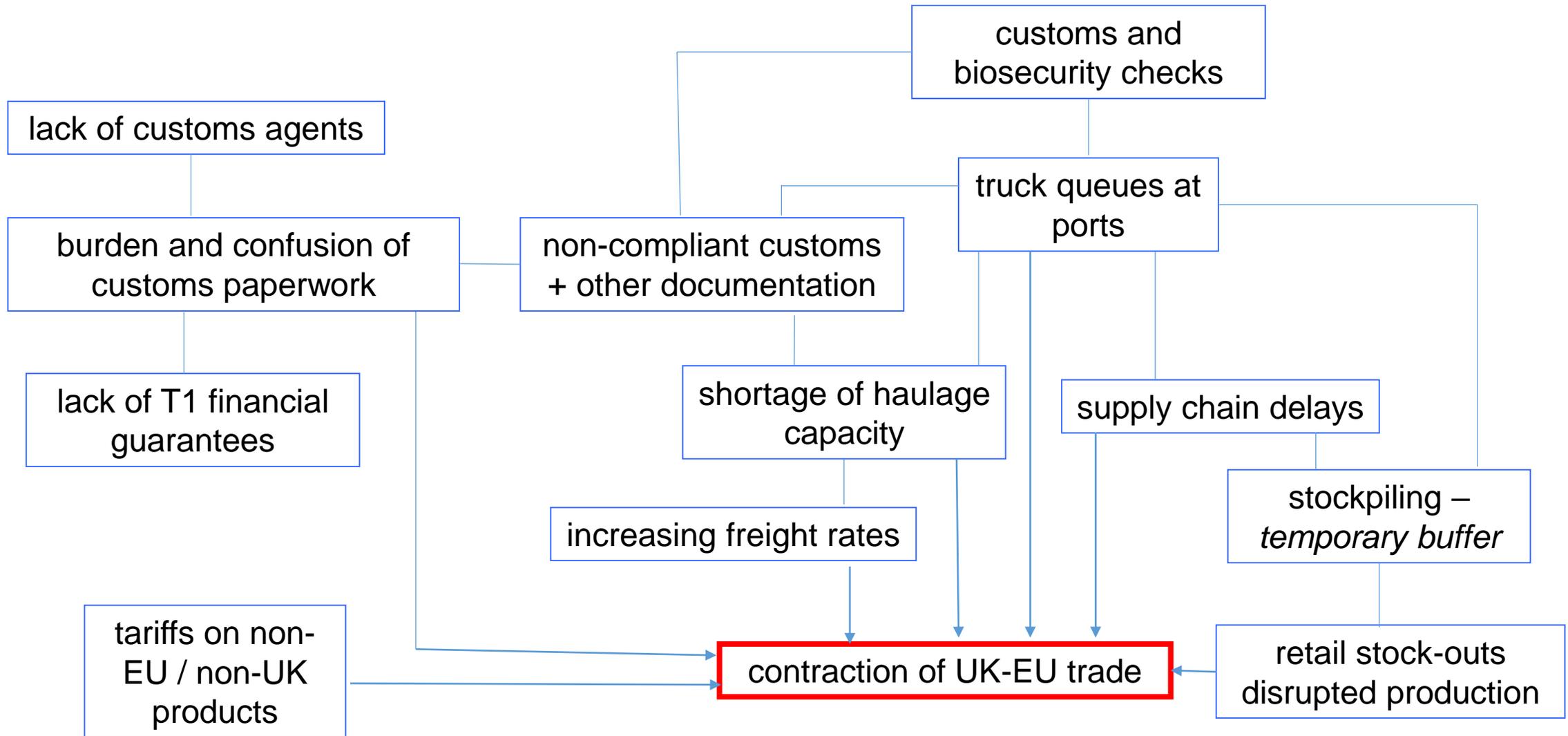
‘it’s absolute carnage out there’ trying to get EU hauliers to come to Britain’ ([Colin Jeffries, Key Cargo International](#), *Guardian* 21-1-21) <http://bit.ly/3qSliPE>

‘going more smoothly than we feared’ ([Alan Jope, CEO Unilever](#)) *BBC radio* 21/1/2021

‘For a global manufacturer... to have additional documentation, to fill a form at the border is nothing. People prepared for it, we have updated our software, we have updated our processes. It’s OK’ ([Ashwani Gupta, COO Nissan](#), *Reuters* 22/1/2021)

<http://reut.rs/2MIPAN0>

UK post-Brexit logistics: *mapping the inter-relationships*



short-term 'teething problems' or fundamental failures requiring trade realignment and logistical restructuring?

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Blogs about Brexit logistics

<https://www.alanmckinnon.co.uk/blog/?p=280>