



## TEN QUESTIONS THE UK GOVERNMENT NEEDS TO ANSWER TO ENABLE BUSINESSES TO PREPARE FOR THE END OF POST-BREXIT TRANSITION

We are now less than 6 months away from the end of the transition period. Our trading companies are already overloaded pushing their businesses through the COVID-19 crisis. It has never been more important that they know what they need to prepare for in the coming months. Having extensively researched the field, we feel that clarity is needed over new administrative requirements and border procedures, many of which are not dependent on whether the future relationship negotiations end without an agreement or with the kind of Free Trade Agreement – without extensive regulatory alignment – envisaged by the government. Whichever option occurs will require major change for companies who import or export to Europe.

**1** UK exporters will clearly have to operate with considerably more administrative procedures than had previously existed under the Single Market to move goods into Europe. Many exporters will previously not have used a customs agent and even small errors in this process may have major consequences for an exporter. It is anticipated that a minimum 50,000 additional private sector customs agents will be needed to help businesses with the complex paperwork. Are they being trained? Where is this happening? When will they be in place? How will companies access them?

**2** As UK exporters will now be dealing with an external border to the Single Market, what level of checks will be required by European authorities on these goods and how will the government ensure that UK exporters are in a position to meet these requirements? The recent UK policy document on the Border Operating Model explains the principles which will apply, including the Smart Freight System, which will assist authorities in checking that exporters are ready to enter the EU. When will details – including on enforcement of the use of the Smart Freight System – be available? When will it be tested? When will it be ready to go live?

3

What changes will occur to lorry driver regulation and will we have negotiated sufficient lorry permits to handle vehicles transiting European countries en route to their final destination?

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The government policy paper on the Border Operating Model makes clear that full border checks will be required on imported goods – although some information submissions can be delayed in the first six months. Initially, does this disproportionately help imports at a cost to exports and our balance of payments? Vans and smaller vehicles will be dealt with in the existing red Channel at customs. Will this create a significant queue?

5

There are clearly substantial contingency plans for a back log of lorries throughout Kent including up to 5 lorry parks/ customs facilities. There is a promise that the substantial proportion of vehicles containing fresh produce or materials for just-in-time manufacturing be prioritised. Who will receive priority and will operators who are delayed be compensated for the negative impact on their business?

6

Given the Northern Ireland Protocol, how will checks on goods moving from Great Britain to Northern Ireland be carried out? To simplify this process - what possibilities exist for goods that will stay in Northern Ireland to be separated from those that could transit to, or be remanufactured in products destined for, the Republic of Ireland and the Single Market?

7

What documents and regulatory compliance will be needed on products leaving Northern Ireland for Great Britain if the UK fails to persuade the EU that implementation of this part of the protocol is unnecessary?

8

Is there a similar plan to Operation Stack in Kent to cover Ro-Ro lorries backing up at Holyhead, Cairnryan, and Larne?

9

Do we have the number of vets, customs officials, computer systems, and physical space planned to make all this flow smoothly? Have we recruited the number of vets to cover SPS and livestock issues and the relevant facilities to ensure prompt checks?

10

How will businesses that are less competitive as a result of new administrative requirements, tariffs, and border procedures - either under a trade agreement or without one - be compensated?

These are not the only questions but we believe the most immediate and relevant ones that will affect the preparations that companies will have to undertake. Answers to these questions cannot wait for delays to the negotiation process. Furthermore, in many cases the answers would be very similar regardless of outcome. For the good of our economy in 2021 we would like the government to open its books and provide some answers.

The CGE Trade Policy Group have additional information and potential solutions to some of these questions.

*This document has been produced as a positive contribution to the debate by the CGE Trade Group. The CGE Trade Group currently includes Michael Cluff, Edward de Mesquita, Daniel Paterson, Martin Smith, Rosalind Stewart.*

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Founded almost 50 years ago, the Conservative Group for Europe is an organisation committed to a positive and constructive approach to the UK's relationship with the European Union.

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