Think Brexit will get your berries into a jam?

Why this is the moment to switch from accompanied to unaccompanied transport.



In tune with the world

Introduction

Brexit. If you're shipping goods to and from the UK to the European continent, the word might have raised a few concerns recently. Will the required customs regulations cause delays at the border? How will that affect your perishable and FMCG cargo? Will your supply chain be as reliable as it is today?

You're not the only one to wonder. Supply chain managers in the UK were questioned about their plans for Brexit, whether their approach was stockpiling, switching suppliers or rebooting their supply chains completely. 31 % said they were looking at alternative routes and ports or other transportation to avoid getting caught in queues at ports. Additional formalities will be in place, so to make sure things keep running smoothly, **you'll need to take action**.

However, a potential crisis can turn into a **business opportunity overnight.** Why not stack the odds in your favour by looking at different transport solutions? Let Brexit be your motivator to re-evaluate your supply chain.

How? Read all about it in this white paper.

The cost of delays for British and EU businesses

supply chains

UK exporters could have contracts cancelled as a result of border delays

۶ <mark>20%</mark>

EU businesses will expect discount from UK suppliers if border delays persist for a day

40%

UK businesses would be able to export to EU in no-deal scenario

25% would withhold payment

Source: 'The Brexit storm', CIPS Chartered Institute of Procurement & Supply, August 2019

2. How most transport is organised today

Taken as a whole, the EU is the UK's largest trading partner. In 2018 the EU accounted for 46% of UK goods exports and 53% of imports*. Moreover, 46% of all international cargo moved through the UK's major ports orginated from the EU, a total of 201.5 million tonnes**.

So, how do all of these goods get to their destination? If we look at the ports of the UK's four major trading partners – Belgium, The Netherlands, Germany and France – the numbers show that many UK-based companies use **accompanied trucks and ferries** for transport. With a total of 21.3 million tonnes, it's currently the favoured mode of transport.

However, there are typically a number of disadvantages to accompanied transport. For example, take IDchecks, truck driver shortages, hiring costs and insufficient capacity at the ferry ports in the south of the UK. These are real challenges that are unlikely to disappear now that Brexit's official. It only takes one driver lacking the right documentation to cause a traffic jam.

Ferry ports anticipating congestion are planning contingency measures including partial road closures and emergency vehicle waiting parks in preparation for Brexit.

What is ferry transport?

Ferry transport is used to carry passengers, vehicles and cargo, across a body of water such as the English Channel. The cargo is mostly driven on board of the ferry by a truck, accompanied by a driver.

"The challenge is enormous, with 930,000 additional import declarations and as many as 4.5 million additional export declarations. We recruited extra staff – 386 FTE – to handle the Brexit"

Kristian Vanderwaeren, Director General of Belgium Customs Administration. So how can you avoid your cargo ending up in a traffic jam or on one of those emergency car parks? Of course, there's a few things you can - or rather, need to do - in order to prepare for the required formalities. Still, the **opportunity** Brexit brings to Europe and/or the UK does not lie in trying to get your cargo through customs the best - and fastest - way you can. It's in reassessing the way you ship goods altogether.

Your best solution: Consider using an alternative mode of transport such as short-sea.



** Source: Eurostat

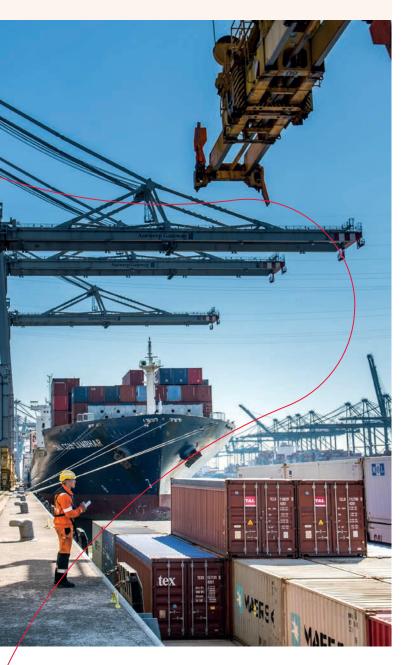
^{*} Source: Office for National Statistics

3. How can transport be organised in the future?

What if there was an alternative to accompanied transport for the shipment of your goods? Wouldn't that be a real game changer? The good news is that there is! Switching to unaccompanied short-sea transport will reduce the risk of delays and add resilience to your supply chain. Here's why:

What is short-sea transport?

Short-sea Shipping or SSS is the movement of cargo mainly by sea along a coast, without crossing an ocean. Short-sea shipping includes the unaccompanied movements of liquid and dry bulk cargo, containers and conventional cargo, lifted on board of a cargo vessel by cranes.



1. Reliable supply chain

With fixed schedules and regular departures, short-sea is a **reliable** mode of transport. Short-sea terminals are **not congested** and have ample storage and handling capacity. With unaccompanied transport, you have the advantage of **avoiding ID checks** and formalities for truck drivers at the border. In addition, short-sea cargo is much less prone to theft and damage.

2. Short transit times

There are more short-sea ports than ferry ports. Choosing the ports closest to the origin and destination of your cargo will definitely shorten the first and last mile, thus reducing time and costs. Think short-sea traffic must be slower than ferries? Wake-up call: it is perfectly possible to get get your goods from the UK to the EU or vice versa **inside 24 hours**. Moreover, you can count on the flexibility of a short-sea terminal to have your cargo delivered at the terminal as much as two hours before departure.

3. Smooth customs handling

Compared to ferry ports, short-sea ports are far better equipped and experienced for the fast transition of goods towards and from 'third country' destinations. Bonded warehouses are largely available. This allows the goods to be stored **without any customs duties or VAT being payable** at the time of arrival. These will only have to be paid later – when the goods are given a final destination – or not at all if they are shipped to another third country. This obviously offers cash flow advantages.

Thanks to their extensive experience with international shipping, logistics service providers in a short-sea port are **one step ahead**. Their expertise contributes to a smooth handling of the customs administration and the associated fast transit times.

4. Reduced carbon footprint

Ferry freight is still very much reliant on trucks. Short-sea transport is ideal for easily shifting cargo from one mode of transport to another. Short-sea terminals are mostly tri-modal, with **immediate access to sea, barge and rail transport**. Which means: fewer road miles, less congestion, less air pollution and an overall lower cost for the shipper.

4. Thinking ahead: should you make the shift?

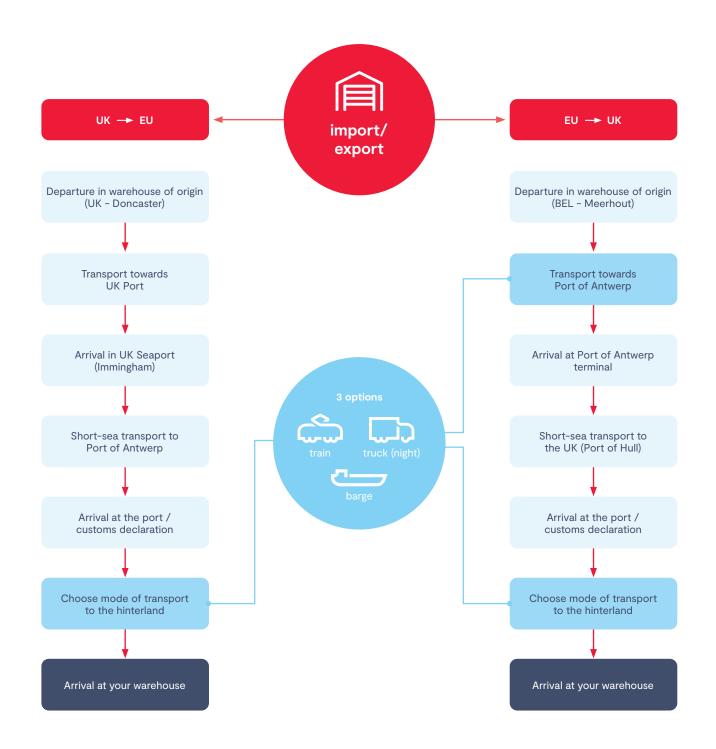
Because of the uncertainty about an acceptable trade agreement, ferry ports and their supply chain partners have found it hard to plan ahead. Therefore, they haven't made the large investments in infrastructure, IT and staffing that are likely to be required in the event of a no-deal Brexit. This means that we can expect additional delays. If you want to err on the side of caution, you should consider switching to unaccompanied shortsea transport. It will save you a lot of hassle.

Want to know if you should take the leap? Just take the test below: if you answer 'yes' to three or more questions, you should definitely switch to short-sea transport.		
	Do you operate a time critical 'just-in-time' supply chain?	No / Yes
	Do you ship perishable goods or pharmaceuticals?	No / Yes
	Do you have warehousing and cash flow to build a resilience stock?	No / Yes
Ê	Are you concerned about the impact of border friction on your supply chain?	No / Yes
	Will delays in your supply chain effect your ability to meet contractual obligations?	No / Yes

"For shippers, a reliable supply chain is a key concern", says Tineke Van de Voorde, Account Manager Shippers & Forwarders manager at Port of Antwerp. "They want to be certain arrival and departure times will be maintained. It's better for them to be able to plan ahead and allow for a little extra time – and then short-sea transport is the best solution. On top of this, drivers will be fined if they don't carry the right customs documentation, so why take the risk?"

The short-sea supply chain

Did you answer 'yes' to more than three questions on the previous page? Then you're probably wondering what your new and improved supply chain could look like. Let's take a look at an example of what happens to cargo in a typical short-sea logistics flow.



Want more detailed information? Go to portofantwerp.com/en/brexit.

5. Port of Antwerp is Brexit-ready

As always, our customers remain our number one priority. Brexit doesn't change that. On the contrary: it makes us work even harder to ensure we simplify shipping procedures wherever possible.

Our Brexperts

Port of Antwerp has a team of experts at your disposal for all your Brexit challenges. Justin Atkin, newly appointed as Port of Antwerp representative in the UK:

"Brexit creates challenges for businesses trading between the UK and Ireland and the European mainland. However, re-engineering supply chains to incorporate shortsea solutions through Port of Antwerp offers companies a viable alternative. They'll improve reliability, reduce 'last mile' dependency on trucks, save money and reduce their carbon footprint."

Wim Dillen, International Development Manager, elaborates:

"Brexit creates new opportunities. The modal shift from accompanied to unaccompanied transport in particular puts Port of Antwerp, as the second-largest port in Europe, in pole position to become the gateway to and from Europe for the UK and Ireland."

Brexit task force & experts

But there's more. Ever since the British Brexit referendum in 2016, Port of Antwerp's **Brexit task force** has worked tirelessly with all stakeholders – including Belgian Customs, the Belgian Food Safety Agency and major port community and business representatives – to mitigate any negative consequences for the port.

Short-sea network

Port of Antwerp offers British and European shippers and forwarders a competitive, sustainable, reliable and rapid transport alternative to road haulage, so that each day — even after Brexit — cargo reaches its final destination 'just-in-time'.

New connections are frequently being added to our short-sea network. <u>Find our offer!</u>

Digitalisation and innovation

Port of Antwerp puts digital innovation front and centre as it results in more transparency and cost-efficiency for our clients. Examples include unique platforms like **NxtPort**, our community data sharing platform, and **e-Desk**, our customs exchange desk.

NxtPort uses state-of-the-art technologies to connect all parties in the supply chain. This way, the platform aims to optimise the logistics processes and increase operational efficiency, safety and revenue. Customs recently announced NxtPort as one of their preferred partners for community data sharing.

E-Desk informs the terminal operator about arriving cargo and passes on export clearance details electronically, offering a paperless export process.



Want to know how Port of Antwerp can help you get the best out of Brexit? Get in touch with one of our Brexperts:



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