

Brexit ready?

Keeping the wheels turning in 2021





Agenda

14.30: Welcome & overview by Mike Sturgeon, ECG Executive Director
14:40: Setting the scene - Justin Cox, Director Global Production, LMC Automotive
14.50: Lloyd Mulkerrins, Policy Manager, SMMT
15.05: Kristian Vanderwaeren, Director-General, Administration Customs & Excises, Ministry of Finance
15.15: Eyvind Thiis-Evensen, Head of Business Solutions, UECC
15.25: Raymond Troch, Manager Agency & Logistics, ICO
15.35: Sarah Laouadi, Manager – European & International Policy, Logistics UK
15.45: Q&A

16.00: Closure by Mike Sturgeon







Agenda for today

• Avoid Deal or No Deal discussion



 Avoid the Dover-Calais bottleneck discussion – it may affect inbound but not outbound.







A positive message

Feedback from OEMs, shipping lines and terminal operators

"We are ready"







Operational risks

- "No man's land" on 1st January
- Northern Ireland
- Port congestion







Justin Cox Director Global Production LMC Automotive



Outlook

Production

Brexit: Setting the Scene ECG Webinar Justin Cox, LMC Automotive 10th December 2020

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UK Market Scale



- UK: second biggest
 LV Market in Europe
- On average UK LV Sales represented around 16% of the European Market
- UK LV Sales Peak: 2016: >3mn units
- 2020f UK LV Sales: 1.93mn

UK Market : Deal or No Deal

UK LV Market:



UK LV Market (2019): Composition by origin



Plant Exposure

Top 15 plants by volume bound for UK Market (2019)



Sales of UK-built Light Vehicles, 2019

Market destinations





European Light Vehicle Trade Flow Forecast

UK LV Production Risks

Longer Term divestment threat





For experts by experts

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Markets

Forecasts

Thank you



Lloyd Mulkerrins Policy Manager SMMT



Automotive Industry update

Lloyd Mulkerrins, Policy Manager SMMT



The State of the Automotive Industry

Production outlook focused on EU deal, but now lockdowns too

- October car production -18.2%
- YTD -33.8%
- Subdued demand in key export markets (EU/US)
- Calls for a deal with time to help businesses prepare







Subdued outlook for new car registrations

November down -27.4%, as showrooms lose across England

- New car registrations -27.4% in November
- YTD **-30.7%** or 660,000
- Outlook revised in October to 1.664 mn units, -28%
- New lockdown set to knock 100,000 off outlook to 1.56mn
- Outlook 2mn in 2021 and 2.15mn in 2022



DRIVING THE MOTOR INDUSTRY



Five Priority Areas

1. Driving a Green Recovery: supporting UK automotive recovery and resilience

2. Driving towards Net-Zero: delivering consumer confidence and market transition

3. Driving the UK's Competitiveness Globally: investment, innovation and industry transition

4. Job Resilience and Levelling-Up: enhancing employment and skills

5. The UK's Changing Trade Relationships

THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED

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Brexit transition: time is running out

There are new rules for businesses and citizens from 1 January 2021.





WHAT DOES THIS MEAN FOR AUTOMOTIVE?

- Risks associated with automotive being left
 until last
- Focus on Battery & EV ROO provisions critical
- Difference over ROO on finished ICE vehicles
- TBTs, regulations, Automotive annex not prioritised.
- Day one readiness asks not ruled out





KEY ISSUES IN EVENT OF NO-DEAL OR UNWORKABLE DEAL 1. Tariff risks, including parts & components 2. Sector mitigation & transition support

3. Critical border concerns



SMMT Member Preparedness Survey (26 Oct – 5 Nov)

86%

say lack of clarity on whether the UK and EU will agree an FTA has hindered preparedness.

70%

of respondents have gained a GB EORI number and another 7% plan to.

67%

are either very confident or somewhat confident in being prepared for 01 January 2021.

>60%

either have or plan to stockpile. The number of days stockpiling ranges from 1 day through to 2 weeks.

55%

either have or plan to adjust logistics and shipping routes.

52%

have employed a third-party customs broker and another 13% plan to.

47%

have gained an EU EORI number and another 11% plan to.

13% plan to.

either have or plan to temporarily increase production/exports ahead of 01 Jan.

49%

say time and resource have been diverted to address COVID which has hampered preparedness.

40%

have engaged with customers and suppliers and agreed incoterms, another 24% plan to.



SMMT NEWS RELEASE

Strictly embargoed until 00:01, Tuesday 10 November 2020

UK Auto counts £735 million cost of Brexit preparation with final plea for zero-tariff trade deal as negotiations enter endgame

- UK auto industry issues last plea for UK-EU negotiators to agree a zero-tariff trade deal as talks enter the final stretch.
- New SMMT survey reveals at least £735 million cost to industry of preparing for Brexit so far, with more than £235 million spent in 2020 alone.
- Sector doing everything in its control to prepare for the end of transition period customs and border arrangements, but lack of clarity on post-December trading still hampering efforts.
- A disastrous 'no deal' outcome, or failure to achieve workable deal for auto, would mean £47 billion hit to UK sector over next five years – on top of ongoing coronavirus crisis costs.

SMMT Business Preparedness programme

July – November 2020 in numbers



Preparedness webinars through November and December to come



Government speakers:

- BPDG
- HMRC x2
- Home Office

226

- DfT x2
- DEFRA



- Webinars held:
- UK-EU Negotiations x2
- Customs x2
- Immigration
- Regulation
- Tariffs and RoO x2

1215

30

SMM'

DRIVING THE

MOTOR INDUSTRY

Times a webinar was watched back through the website

1821

People have registered for webinars

Attendance rate

67%

Questions asked by the audience

Attendees across all webinars



Thank you

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Kristian Vanderwaeren Director-general Administration Customs & Excises Ministry of Finance

ECG BREXIT READY?



Federale Overheidsdienst FINANCIEN



Kristian Vanderwaeren Director General Belgian customs

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BREXIT : IMPACT FOR COMPANIES

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Federale Overheidsdienst FINANCIEN

BELGIAN CUSTOMS READINESS 4 AXES

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BELGIAN CUSTOMS READYNESS 4 AXES

Service Public Fédéral **FINANCES**

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AXE 1 - CUSTOMS SUPERVISION



Service Public Fédéral **FINANCES**





+386



UPGRADES



Import/export/transit declarations



IT SYSTEMS

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Service Public Fédéral FINANCES

NO

AXE 3 - TACKLE LACK OF PHYSICAL SPACE ON PRIVATE TERMINALS FOR GOODS BEFORE CUSTOMS CLEARANCE



SEVERAL PROCEDURES OF FACILITATION AT IMPORT/EXPORT/TRANSIT

<u>https://www.naforna.be/nl/content/subwerkgroep-brexit</u> <u>https://financien.belgium.be/nl/douane_accijnzen/ondernemingen/brexit</u>



GOAL = AVOID CONGESTION

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AXE 4 - 'GRACE PERIOD' FOR COMPANIES ACTING IN GOOD FAITH



Service Public Fédéral **FINANCES**



in good faith

COMPANIES ACTING IN GOOD FAITH



CASE BY CASE APPROACH



DUTIES AND TAXES HAVE TO BE PAID

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AND WHAT ABOUT THE UK?

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Event This-Evensen Head of Business Solutions UECC




UECC: Brexit Ready!

Presentation to ECG



UECC Brexit Approach



Focus

Act



SCAN >

Awareness of deadlinesProcess alignmentRisks



Awareness of deadlines:

- January 1st. 2021
 UK > EU
 NON EU > UK
- July 1st. 2021 • EU > UK



Process Alignment:





Process (I)

01.01.2021





Process (II)

01.01.2021 & 01.07.2021





Risk & Risk mitigation:

EORI NUMBER

- EU EORI for UK Exporters
- UK EORI for UK Importers
- Customs Transaction Volumes
- All cargo to be declared
- Customs Systems & Interfaces
- New UK Customs application
- New UK Customs Interface



FOCUS > Task List & Work Group

Task List related to:

- Pre Terminal
- Terminal
- Vessel

UECC Work Group:

Commercial

> Process & cargo flows

- Trade
- Procurement
- Legal

- > Systems use and training
- Business Solutions > Systems and customs integration
 - > Commercial and port agents
 - > Regulatory measures



ACT > Training & succesful deployment

•Success!





Raymond Troch Manager Agency & Logistics ICO NV



Brexit ready? Keeping the wheels turning in 2021

WEBINAR Thursday 10 December 2020





Port of Zeebrugge - Volume





INTERNATIONAL CAR OPERATORS

RoRo Zeebrugge – 440 ha



INTERNATIONAL CAR OPERATORS



Zeebrugge hub for UK - traffic

- Tailor-made solutions: 70 services per week to different UK regions in UK and Ireland
- 67% export, 33% import
- Both Roll-on/Roll-off and lift-on/lift-off
- New cars (850.000 from/to UK)



RoRo shortsea services



INTERNATIONAL CAR OPERATORS

RORO -	SHORTSEA SERVICES			
CONNECTIONS	FREQUENCY	SHIPPING COMPANY	WEBSITE	
Great Britian and Ireland				
Dublin	1 / week	KESS	www.kess.kline.de	
Dublin	3 / week	CLdN	www.cldn.com	
Cork	1 / week	CLdN	www.cldn.com	
Killingholme	6 / week	CLdN	www.cldn.com	
Purfleet	17 / week	CLdN	www.cldn.com	
Tyne	every 5 days	EML	www.euro-marine.eu	
Southampton	every 4 days	EML	www.euro-marine.eu	
Hull	7 / week	P&O Ferries	www.poferries.be	
Middlesbrough (Teesport)	6 / week	P&O Ferries	www.poferries.be	
Tilbury	12 / week	P&O Ferries	www.poferries.be	
Tilbury	1 / week	Finnlines	www.finnlines.com/freight	
Grimsby	4 / week	Toyofuji Shipping Co.	www.toyofuji.co.jp/english	
Sheerness	1 / week	Toyufuji shipping Co.	www.toyofuji.co.jp/english	
Southampton	1 / week	UECC	www.uecc.com	
Sheerness	1 / week	UECC	www.uecc.com	
Portbury	1 / week	UECC	www.uecc.com	
Portbury, Rosslare, Southampton	every 4 days	Neptune Lines	www.neptunelines.com	

Zeebrugge hub for UK - traffic

Action items Brexit:

INTERNATIONAL CAR OPERATORS

- Introduction of RX Seaport digital platform all data required for the BREXIT administrative context will be digitally processed.
- New Border Inspection Post
- Sufficient cold store facilities
- Additional parking places for trucks
- Trained staff members to cope with hold-up of cargoes
- Contingency plan in order to safeguard constant accessibility of the port and the companies as well as the mobility of the cargo flows green lanes

BREXIT CIRCULATION PLAN ZEEBRUGGE



Brexit proof: contingency plan

- To guarantee port accessibility at all times
- In cooperation with private companies, (local) government, police forces, and other public authorities, ...
- Brexit Zones in port area

Traffic plan

- For port area and broader region
- A system of signposts will guide the traffic
- Digital traffic signs on the motorways will inform and guide traffic flows
- "No Booking No Entry"





Recommended P&O flow



Priority: vii. E40
Dynamic in lication on the motorways

Firt of Zeeksugge 2&O via N31

<u>cundary</u>:
via E34/N49 along the A11 to N31

Port of Zeebrugge P&O &C.Ro via A11

• For status red : Brexit Zone Western breakwater





Recommended flow C.Ro Brittania dock



Priority: via E34/N49 To A11 NL 50 (Alfred Ronsestraat) -Minary, rotor de - Isabellalaan - C.Ro

> Port of Zeebrugge &O + C.Ro via A11

<u>Secundary:</u> via E40 (towards Brugge) - A11 - N350

Port of Zeebrugge C.Ro 608-613 via A11 P&O +C.Ro 127-129 via N31

For status red:



CUSTOMS PROCESS



Brexit options

No Deal versus Soft deal

No Deal/Hard Brexit

WTO rules

Payment of import duties and VAT

Full customs documentation

UK : 3rd country

Soft Deal

FTA between EU and UK No ID & taxes Customs documents





INTERNATIONAL CAR OPERATORS

IMPORT DOCUMENT FLOW EX UK





EXPORT DOCUMENT FLOW – EU units to UK





Unloading / Import Customs Manifest / **Temporary Storage** Terminal ICO – Customs bonded units ex 3rd country. warehouse The Summer Summer Street, **EXPORT EUAD** document Export via ICO Export via other The Commission of the terminal EXS message K EUAD via E-balie Export message to to terminal of customs after export shipment

EXPORT DOCUMENT FLOW – Non-EU units to UK



CUSTOMS LICENCES

- Acting as customs representative, fiscal representative under licence number 0676001
- Registered by the Belgian Ministery of Finance as customs representative number 726
- Authorised Economic Operator BEAEOF0000024GDG
- ISO 9001 certified
- Holder of RTO licence number BETSTG00014 on all ICO terminals
- Holder of Customs bonded warehouse licence number BECWPG00024 on all ICO locations

CUSTOMS CLEARANCE ZEEBRUGGE



- Fully integrated customs system Intris within ICO's Terminal Operating System (TOS)
- EDI transmissions of all necessary data between OEM's and ICO
- All units with non-EU origin are put in ICO's Temporary Storage Facility (TSF/RTO)

CUSTOMS CLEARANCE ZEEBRUGGE



- All units for which ICO is appointed to act as customs representative are entered in the customs bonded warehouse of ICO upon arrival
 - Customs clearance after call of by customer
- Fully automated customs clearance application

CUSTOMS AND TERMINAL APPLICATIONS



- Centralized clearance / EIDR by OEM is managed by ICO's Warehouse Management System in the TOS application so units cannot leave our terminal without customs clearance
- Web portal application to allow 'live' follow up of terminal movements and customs status/documents by OEM or customs office.



Summary

- Brexitproof
- Green lanes for automotive truck transport in Zeebrugge (no congestion)
- 24/7 availability of customs officers
- Fully automated port community system

THANK YOU www.icoterminals.com





Sarah Laouadi Manager - European & International Policy Logistics UK



LOGISTICS UK

Brexit ready? Keeping the wheels turning in 2021

Sarah Laouadi – European and international policy manager, Logistics UK

ECG webinar - 10 December 2020

Logistics UK in numbers

LOGISTICS UK





Our Member Advice Centre and Member Services teams handle more than 250,000 queries every year



We train over 10,000 people every year



300 staff are here to support you

Logistics UK is one of the biggest business groups in the UK. We are the only organisation in the UK that represents all of logistics.

Key readiness parameters

LOGISTICS UK





Stage	Importers: Customs	Importers: Agri-Food & Plants	Border checks on EU imports	
Jan 2021	Customs duty must be calculated and accounted for, but payments and full declarations may be deferred for up to 6 months. Importers should check the detailed rules.	No change	No change	
April 2021		Controls apply on High- Risk Food and Feed, plus Regulated Plants and Plant Products.	No change	
July 2021	Standard Rest of World checks, controls and paperwork			

UK systems - GVMS

LOGISTICS UK



Haulier/Intermediary

Generate a Goods Movement Reference (GMR) for each vehicle from within the Goods Vehicle Movement Service and populate this with unique reference details for all customs declarations:

- Export (containing S&S information)
- CTC Transit

For RoRo, await Permission to Progress to proceed to the port of departure.

Carrier / Location

Validate GMR

Trigger re-arrival process and automated departure

Independently capture the vehicle registration number/ trailer registration number

HMG

Receive notification that goods have departed



On Day 1, GVMS will only be available for transit and will only be used at certain border locations (commercial choice of the port).

Status:

- Registrations to use GVMS are open
- Go live: 23 December
- Guidance: <u>published</u>

Action: implement a process to make sure the GMR is available when a trailer arrives at the port.

Systems on the EU side

LOGISTICS UK





- "Supply chains are only as strong as their weakest link."
- For each supply chain, clear processes for completion of border requirements and transmission of information and documents are required
- Recent intelligence suggests that a large proportion of UK exporters have not engaged with their customers or partners on the EU side

Action for importers and exporters: talk to partners on the other side to make sure that both export and import requirements are taken care of.

ECG

Happy Christmas and good luck on 1st January