

British Food Importers and Distributors Association – Written Evidence (TIG0005)

Our Association represents the leading importers of ambient foodstuffs with an annual turnover of approximately £ 3 Billion. Our members import substantial quantities of products from the EU, namely, Dried Pasta, the full range of tomato products, canned tuna and mackerels, canned sweet corn, canned peaches, evaporated milk, and olive oil.

Principally for climatic reasons and in the case of canned tuna products the absence of a distant-water fleet or processing plants, none of these products can be sourced domestically.

Our evidence illustrates our members experience with importing and in some cases exporting goods to the EU and Northern Ireland.

1. Origin Rules

Unworkable arrangements agreed in respect of rules of origin in trade between the EU and the UK and vice-versa defining the criteria by which a product qualifies for claiming origin preference.

Negotiators on both sides seemed unaware of the historical chain of supplying Northern Ireland and Ireland via mainland UK. Due to the absence of direct shipping routes, for example, from Italian Ports goods are being shipped to English Ports.

Retailers, Cash & Carry's, Wholesalers etc. in Northern Ireland and the Republic order pallet loads of assorted products, deliveries are arranged from the importers Warehouse and therein lies the problem with the new origin rules.

When importing products, say for example full containers of canned peeled tomatoes from Italy into free circulation, i.e., cleared through UK Customs, and then send pallet loads on a lorry across the Irish Sea to the Republic either direct or crossing Northern Ireland, because no further processing has taken place, these canned peeled tomatoes in spite being of EU origin, lose that origin and cannot acquire UK origin. Consequently, on import in the Republic these canned tomatoes are liable for the EU's MFN duty of 14%.

Products imported in the UK from countries with a free trade agreement with both the EU and UK cannot be exported duty-free to the EU.

As it would seem it is impossible to address the issue of rules of origin without renegotiating the Trade and Partnership agreement, some members have decided to suspend sales to their Northern Ireland and the Republic customers for the time being.

2. ROR transport problems across the short strait

Paperwork for exports to the EU are still problematic whereas controls of imports from the EU have been postponed thrice, hopefully importers will

have been sufficiently informed of procedures at the start of 1 January 2022.

HGV driver shortages continue to be a problem with proposed remedies unlikely to have much of an impact. So far EU truck drivers are reluctant to service the UK afraid of delays and COVID 19. The shortage of truck drives also has an impact at several ports, in particular Felixstowe to the extent that current lengthy delays means that some shipping lines decided not to service Felixstowe.

In summary, the Trade and Partnership Agreement with the EU may provide duty-free preference trade, it does not, however, provide for frictionless trade and added to the administrative burdens in our own sector and no doubt other sectors of the UK Food Industry.

The result is rising food inflation which will continue into next year and the year after and the UK consumers will have to pick up the tab.

28th October 2021