Freight Transport Association (FTA) – Written evidence (NIP0001)

Agri-food and the Northern Ireland Protocol – Key points raised by the Freight Transport Association (FTA) to the Committee on Wednesday 3 June 2020, 09.30-10.30

- Are there enough physical structures in place for SPS checks?

No. The only infrastructure in Northern Ireland Ports that comes close to be a recognisable Border Control Post (BCP) is at the Port of Larne which is currently used to inspect livestock and other selected agricultural/horticulture products to prevent the introduction of diseases onto the Island of Ireland. The new SPS agreement in the Protocol builds on these inspections but we will need whole new infrastructure at Belfast and Warrenpoint Ports in time for implementation planned for 1st January 2021.

The UK Command paper on the Protocol states that the UK government will fund the building of the infrastructure (BCP's) used to regulate and monitor relevant trade in SPS into NI ports.

- Are Government aware of all of the practical issues?

FTA has raised the various issues around the Protocol with civil service, Ministers and political representatives both in Westminster and the NI Assembly. FTA has published a 'Keeping Northern Ireland and Great Britain Trading' paper in March 2020 that has been shared extensively with government. Most communication has been one way from FTA and other business organisations as there has been little direct dialogue with government in recent months. The Covid pandemic has certainly been a major factor in the declining nature of engagement between government and business in Northern Ireland.

It is vitally important that engagement begins immediately if we are to be ready for implementation on 1st January 2021.

- **Are training and advisory services for the new arrangements, especially for SMES, in place? Is this a private sector or Government role?**

No. Limited training provision to date and all previous advisory support given by government last took place in Autumn 2019 in preparation for a 'No Deal' Brexit. This must be government led with private sector support in its delivery.

- **How long do you need from implementation decisions to operational readiness?**

We will need a minimum of 6 months from final implementation confirmation and clarity through to operational readiness. This is supported by a NI Department for Economy report published March 2020 that concluded that businesses are not prepared for the new formalities around customs preparedness and that recruitment and training of staff used to administer new protocol formalities should begin no later than the first half of 2020 if businesses re to be ready for implementation on 1st January 2021.

- Is the business engagement forum operating?

No meaningful engagement is currently taking place between government and business organisations in Northern Ireland on how to prepare for the Protocol and ensuing formalities.
Engagement with business has been very good in the past couple of years regarding the UK leaving the EU however in 2020 engagement has been limited with little clarity or detail discussed. It is imperative that the business engagement forum begins operating as soon as possible.

- **What is the best-case scenario for NI as a result of the Protocol?**

Our best hope is minimal formalities, close alignment on regulatory standards and derogations on certain trade flows. A trade agreement will reduce the scale of formalities. Unfettered access to the GB and EU markets will be beneficial and give NI a unique position in trade.

- **What is the worst-case scenario for NI as a result of the Protocol?**

Limited access to markets, no derogations or mitigations and a lack of capacity within NI businesses to deal with the new formalities.

- Will the Protocol solve the issues it is intended to?

Yes, as long as the UK and EU adhere to the agreed terms of the Withdrawal Agreement.

- **What is your key message to the Joint Committee?**

Engage with industry, consider the mitigations especially for 'dead end host' trade in NI and realise that the Protocol and NI is unique in world trade hence a unique solution must be tailored and agreed.

- Do you expect the Protocol arrangements to be ready for 1 January 2021?

Not impossible, logistics is a problem-solving industry but the government must take the lead of this and give clarity and engagement.

- **What do you expect SPS formalities to be for goods moving from Great Britain to NI after the transition period?**

We will have to employ similar checks and controls as what the EU currently does on 3_{rd} country SPS products entering the Single Market. This means administration, costs, time and checks. Typical costs charged by the EU at present are €7 for documentation to be checked, €7 for the Identification check of the load and €55 administration for a load up to 6,000kgs or €9 per 1,000kgs when over 6,000kgs. Checks are risk based to Category 1 (livestock) risk is 100% inspections, Category 2 (meat, poultry) is 30% and Category 3 (dairy and other meats) is 15%. With over 425,000 lorries entering NI Ports every year, this will lead to considerable administration, checks and inevitable costs for businesses.