



## **ESC Press Release**

### **Brexit. Last chance to prevent chaos**

Another magical borderline has been crossed. The moment when the UK will leave the EU is less than 100 days ahead of us. Until now there is no clear picture on how all parties involved will have to deal with the situation after the 29<sup>th</sup> March 2019. The start of the transition period depends on the vote in the House of Commons in Mid-January. If the present withdrawal agreement does not pass the vote, a cliff-edge scenario will be the most likely one. Preparation after this date will be nerve-breaking.

Members of the European Shippers' Council in their General Assemble this week expressed that this is an unacceptable situation. As producers and traders, they foresee a major impact on the supply chain between EU 27 and the United Kingdom. Shippers can not guarantee the delivery of goods to clients in time and in good condition in case of a cliff-edge scenario. Such a scenario will impact the welfare of the inhabitants of the UK and EU 27 heavily. For instance, medicaments and food-stuff are exchanged between these two European regions in large quantities.

Although many companies have already invested a lot in preventing chaos, the preparation made so far can never completely prevent big disturbances in trade. The capacity of warehouses in the UK has already been used completely and it is nearly impossible to rent addition space in warehouses for emergency stocks. At the same time providers for logistics services and automation are also completely booked for the period around Brexit. Next to this, the European Member States as well as the UK should be also fully prepared, which is a huge challenge.

The only solution shippers see for the moment is an orderly move into a transitional period allowing governments as well as companies to finalise their preparation at least until December 2020. Hopefully, EU27 and the UK will in the meanwhile be able to negotiate a Free Trade Agreement allowing trade in goods and services as free as possible.

