

## The External Affairs and Additional Legislation Committee's forthcoming inquiry into the impact of Brexit on Welsh and Irish ports

1. FTA welcomes the opportunity to provide evidence to the External Affairs and Additional Legislation Committee's inquiry on the impact of Brexit on Welsh and Irish ports.
2. The Freight Transport Association (FTA) is one of the UK's largest trade associations and represents over 16,000 members relying on or providing the transport of freight both domestically and internationally, to or from the UK. Our members include hauliers, freight forwarders, rail and airfreight operators, through to customers – producers, manufacturers, wholesalers and retailers. They cover all modes of transport – road, rail, air and sea. FTA members operate over 200,000 commercial goods vehicles on the roads in the UK; which is more than half of the UK fleet of goods vehicles. FTA members also consign around 90 per cent of goods moved by rail and around 70 per cent of goods moved by air and sea.
3. With the focus of attention on Dover – Calais crossing and the impact of Brexit on the cross-channel trade route from the UK to the wider continent it is, therefore, very important for the crossing from Ireland to the UK to be given equal consideration. The Welsh coastline will become, post Brexit, an external border to the EU, and this will require new systems for control of various aspects to be implemented, depending very much on the final deal agreed between the UK and the EU27. It does also, however, present the port sector with the chance to showcase its potential and develop any new opportunities.

### Opportunities for Welsh ports

4. This is a key moment to move forward with strategic infrastructure investment in ports and road/rail links to ensure that Wales is ready to welcome new trade lanes and protect those it currently has as a vital transport point in the land bridge between Ireland and the UK/continental markets.
5. Private Ro-Ro ports, such as Holyhead, should look to their role in the flows of Irish goods heading to UK/EU and vice-versa and ensure they react quickly to adapt to the new trade relationship by releasing the necessary resources to establish any new infrastructure required.
6. As the UK leaves the Common Fisheries Policy, this could potentially help revive traditional fishing ports.

### Risks to Welsh ports

7. Welsh ports with trade routes to Ireland will need to put in place all elements of an external EU border. This will require significant investment in various government/agency activities. It will also require physical space to be provided for any controls to take place, which could jeopardise the through-flow ability of ports at present.
8. Smaller ports, e.g. Fishguard, might not have the resources to make the required changes necessary to function as an external EU customs border. This would negatively impact on Welsh, and wider UK, businesses who will see supply chains disrupted at the point of Brexit, should no transitional deal be reached. It could see the end of port operations that would be a significant blow to UK operators and supply chains.

9. Port Health Authority services are administered by local authorities, under guidance from the Food Standards Agency and DEFRA, and will need to be in position to cope with increased workload with checks on, for example, Irish beef imports that do not need to be undertaken presently. This could result in additional costs to the local authorities for extra staffing and to consumers who will have to pay more as the extra costs are passed down the supply chain.
10. If there is no future deal between the UK and the EU27 or the necessary investment isn't made then there is the real risk that trade flows from Ireland to the continent could potentially re-route, via short sea shipping, to ports remaining in EU – this would be dependent on costs but should not be discounted as a sudden diversion could make some routes profitable where they do not exist at present. This could mean that UK companies are left out of delivery routes and have to source their products elsewhere, at extra cost.
11. Loss of EU infrastructure funding that might be available at present through the UK's participation in the TEN-T network.

### **Steps to be taken**

- Attract private investment in port infrastructure – Welsh Government, port owners, private sector.
- Increase and speed up investment in critical road infrastructure – Welsh Government
- Ensure that there is no cliff edge from lack of deal on Brexit negotiations – UK government, Welsh Government to continue to lobby for importance of Welsh ports for national economy.
- Any funding loss should be mitigated – UK government could replace missing funding or could request to remain in EU funding programmes.

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