

Building Better Supply Chains Post Brexit

Metals Logistics



Keep your
business
moving



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Situation & Major Impacts

Understanding the challenges of EU-UK Trade in 2021

Companies and their logistics partners all know the story when it comes to moving goods between the EU and the UK. Today's reality is rather more complicated than it was before January 1st, 2021. These are challenging times to say the least.

UK exports to the EU fell by almost 41% in January 2021*, while imports tumbled by around 30%* and many companies have found the extra administration and documentation handling overwhelming.

*Office of National Statistics, UK Government.
"UK trade: January 2021"

Situation & Major Impacts Continued

Guarantees threaten shipping firms

Post-Brexit, EU transport firms are required to provide VAT and tariff guarantees. These can amount to tens of thousands of pounds, pushing some shipping firms that can't take on the financial burden out of the picture. This has a knock-on affect on small to medium-sized companies that find themselves unable to secure logistics for their goods to and from the UK. The situation is a challenge for all involved.

What do companies want?

More than ever, companies are crying out for a partner that can handle the complexities of the new documentation process. And one that is financially robust enough to guarantee any VAT and tariffs on goods upon arrival in Britain. **They are looking for a one-stop-shop** that can handle both transportation and any documentation required. Furthermore, during this period, we are experiencing a model-shift from self-drive to unaccompanied shipping and demand from the steel industries for the ability to handle their complex needs.

A resilient partner

It is clear that customers will shift to logistics operators that have resilience, capacity and equipment to handle their transportation, where operations and lead-time are the most important factors.

Key takeaways

- Complex documentation and VAT/tariff guarantees threaten import/exports
- Companies want a one-stop-shop partner for both transport and managing documentation
- Complex transportation requirements demand a resilient partner with capacity and equipment

Impact 1 Reduced Capacity

Reduced capacity means soaring prices

The impact of Brexit on European road freight capacity has been significant. Doubts over the new rules and regulations have meant reduced capacity and reduced capacity types. During December 2020, a Europe-wide decline in capacity of 16%* was seen compared to the previous year. This was proceeded by considerable reduced capacity on routes to and from the UK, which resulted in increased road freight rates.

The key France-UK route, saw road transport capacity at the end of 2020 reach a two-year-low, **declining by around 22% compared to last year**. Price levels soared by almost 35% month on month and approximately 50% year on year.*



*The Loadster, "European road freight capacity falls dramatically post-Brexit, pushing up rates"

Reduced Capacity Continued

Reduced capacity makes complex shipping more difficult

The general lowering of road freight capacity and increasing freight prices has also meant that more complex loads and loads of varying sizes have been difficult to provide for.

Road freight capacity serving the Automotive Industry dropped by approximately 18% month on month, while prices were up almost 2%.*

Road freight capacity serving the Chemicals and Life Sciences sector saw capacity fall approximately 15% month on month while prices jumped almost 14%.*

Road freight capacity serving the Steel Industry saw capacity reduce by around 23% between November and December, with prices growing by almost 9%.*



Key takeaways

- New Brexit rules and regulations have had a knock-on effect on road freight capacity
- Brexit has reduced road freight capacity and increased road freight prices
- Brexit has reduced road freight capacity variety

*The Loadster, "European road freight capacity falls dramatically post-Brexit, pushing up rates"

Impact 2

Drop-Off but No Pick-Up

Complexity strikes again

Now that an official withdrawal agreement has been made, import and export declarations are required for all goods moving between the EU and the UK. **With effect from the 1st January 2021** there are no easements introduced for export cargo leaving the UK and everything that is sold, hired, sent for processing or repair to an EU company will need to have an export declaration submitted to UK Customs.

An increase in empty trucks returning to the EU

What we have seen on the ground is an increase in the number of empty trucks returning from the UK to the EU. This is because of the complex process that accompanies export declarations from the UK. Companies are unwilling or unable to take onboard this kind of overly complex documentation management. This is where efficiency of the supply chain starts to fall off.

50% of lorries return empty*

The UK government calculates that in normal times, about 30% of lorries which have brought goods into the UK from the EU return empty. So far during 2021, this number has risen to about 50% - but it is now beginning to fall. Assistance from a logistics partner with the ability to handle documentation management complexity could help solve this issue.

*BBC News, "Brexit: Are freight exports to the EU back to normal?"

Key takeaways

- Import and export declarations required on all goods moving between the EU and the UK
- Documentations complexity means empty trucks returning to the EU
- Companies need assistance with documentation handling to increase supply chain efficiency

Impact 3

Custom Clearance Tools Are Not Up to Date

The goalposts are constantly changing

There are many customs brokers offering customs clearance services and importing advice and digital tools. However, since Brexit on the 1st of January 2021 the UK's HM Revenue and Customs (HMRC) rules and regulations are constantly changing.

As if the complexity of the new regulations and the paperwork and documentation required weren't enough, **customs brokers' websites and even the digital tools themselves are not up to date.**

Everyone has been thrown in at the deep end

While governments are referring companies to seek professional advice from custom agents, it is well documented throughout the industry that even the specialists are having trouble becoming accustomed to the new rules. They too, like everyone else are researching the current customs clearance situation and have only had access to certain systems from the 1st of January 2021. This has left little time to test systems as they have only very recently gone live. Companies need a resilient, up to date customs clearance partner to help support them and build the supply chain back up again.



Key takeaways

- The UK's HM Revenue and Customs rules and regulations are constantly changing
- Customs agents and digital tools are not up to date
- Companies need the latest advice to keep business moving

How Should We Act?

Getting there together

At DFDS, we have been working to keep your business moving. **We stay up to date with the latest developments in the EU-UK customs clearance process** so that we can facilitate the strengthening of the supply chain post-Brexit.

DFDS Direct

For road freight, our smart documentation management tool, DFDS Direct means you can store all the vital documentation necessary for the new procedure that came into effect on the 1st of January 2021.

MyFreight

For shipment of freight, our smart booking tool, MyFreight lets you book in a few clicks via your PC, smart phone or tablet. You can create bookings, add information, duplicate and create reverse sailings. You can also manage all your bookings and stay in complete control with an always-on tool that lets you follow the progress of your shipment from departure to delivery.

Key takeaways

- DFDS stays up to date with the latest EU-UK customs clearance processes
- DFDS Direct is our smart digital logistics and document management tool for road freight
- MyFreight is our smart digital booking tool for shipment of freight

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DFDS has been preparing for Brexit for the last three years, not least by developing DFDS Direct that allows our customers to manage their transport requirements via the web. From getting a price to making a booking, tracking your cargo and storing documentation online – DFDS Direct handles it all.

From the 1st of January, it will also allow you to transfer the information related to customs transactions and store all necessary documents in one digital place.



Allan Bell
Vice President, DFDS

The Latest DFDS European Freight Volumes

Freight up by 4.5% as UK-EU trade starts to level out

The latest DFDS reports of monthly ferry volumes for freight provide additional insight into the development of volume trends in the DFDS European route network.

DFDS ferry freight volumes

North Sea volumes were above 2020 driven by added capacity and continued stabilisation of trade between the UK and the EU, particularly for UK imports. Lower UK exports increased the number of empty trailers coming back to the EU. Volumes on the English Channel were likewise above 2020. Volumes on the new route between Ireland and France continued to be ahead of expectations. Baltic Sea volumes were above 2020 adjusted for the closure of the Paldiski-Hanko route. Mediterranean volumes were above 2020 in all main corridors.

Ready to support

With freight volumes increasing, and UK-EU trade starting to level out, there is hope for increasingly seamless European trade on the horizon. As a robust logistics partner with the expertise and know-how to keep your business moving, DFDS is ready to support your freight needs.

DFDS ferry volumes

February			
Freight	2020	2021	Change
Lane metres, '000	3,290	3,440	4,5%

LTM*		
2020-19	2021-20	Change
41,104	40,639	-1,1%

*Last twelve months

Key takeaways

- Total volumes in February 2021 were 4.5% above 2020
- Net adjustments for structural route changes reduced growth by 0.6 ppt to 3.9%
- Volumes for routes calling at the UK were up 4%

Experts in Metals Logistics

Extensive network

We are ready to keep your metals logistics moving throughout Europe and the UK with our extensive network. You can count on 24 ferry routes on a fixed schedule, 55 ferries, 8 port terminals, 9,000 trailer and container units, and 8,000+ local ferry and logistics experts across Europe and Turkey.

On-time delivery

With the capacity, organization and expertise to ensure seamless metals logistics, we offer all our customers secure, on-time delivery.

Specialist equipment

Our global equipment pot consists of 11,000 pieces of cargo carrier and security equipment. We have thousands of roll trailers and cassettes that make handling and moving cargo a fast and easy affair.

Flexible solutions

We can do temporary modifications if necessary, and always offer flexible solutions for any industry or customer across our widespread routes. The result is quick, cost-efficient and reliable shipments of large volumes of steel.



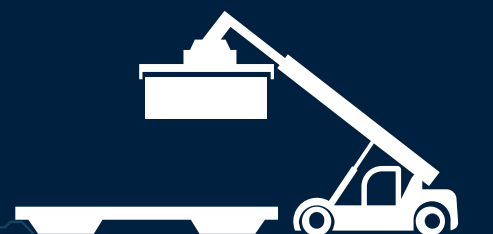
**Dedicated
steel terminal
and cross-docking
facilities**



**Added value
services such
as freight
management**



**Special equipment
handling coil,
plate, billets,
and much more**



**Innovative mega
cassette
and equipment
solutions**



  Keep your
business
moving



Get in Touch

We have the resilience, capacity and know-how to help manage your logistics and keep your business moving.

For more information on how DFDS can help with every consignment shipped between the EU and the UK post Brexit contact us on the details below:

[Click here to get in touch](#)

