

Logistics – transporting seafood to Europe

Overview of key findings from “Export Resilience Research Project Report”, by Market Driven Supply Chains (Scottish Enterprise), March 2016.

Boulogne Sur Mer

Boulogne Sur Mer (BSM) has long established itself as the European seafood sector’s central fish distribution hub. It provides access to a large range of customers, has both an auction mart and processing facilities on site, as well as full warehousing, consolidation and distribution facilities.

It is estimated that 80% of Scottish seafood exports to Europe are through BSM.

Logistics

Current customer ordering practice at BSM is “Day 1 for Day 2 delivery”, i.e. the customer places an order and expects delivery to the BSM hub by 8am UK time the following day, for onward distribution. If the logistics companies miss this target time, then they also miss the connection for onward distribution across Europe.

Effectively, there is a total 16 hour window for deliveries to take place.

Only two main routes are currently viable, via the Channel Tunnel, and the Dover/Calais ferries. Of these, the Channel Tunnel route is the logistics companies’ preferred option and offers the lowest shipping price to processors.

Route	Time required	Capacity within 16 hour window
via Channel Tunnel	13 hours 30 minutes	2 hours and 30 minutes
via Dover-Calais ferries	14 hours 45 minutes	1 hour and 15 minutes

There is no current alternative route that can be used without the shipment being late. The research considered possible other routes and transport modes. None proved to be currently viable.

Other fresh chilled products from Scotland, such as red meat and dairy also use this route into Europe, though it is of most importance to the seafood sector. Seafood products have the shortest shelf-life and the most time-critical supply chain route. Failure to meet order deadlines, impact on fish quality, with downgrading of product and price paid to Scottish processors.

The Scottish seafood industry faces a set of unique barriers based on the product nature and distance from market. Any delays due to customs, border controls will exacerbate this position.

Preparing for Brexit Through Workforce Planning

Current Position

With the UK's formal exit from the EU set for 29 March 2019, ensuring that organisations have the necessary skills and labour to continue delivering on business objectives, against both expected and unexpected changes, will be critical. Workforce planning, specifically in the Brexit context, will therefore be a business imperative.

Preparing for Brexit Through Workforce Planning is a guide written by Institute for Employment Studies (IES) an independent, apolitical, international centre of research and consultancy in employment policy and human resource issues.

Published by The Chartered Institute of Personnel and Development (CIPD) the professional body for HR and people development.

Potential impact of Brexit for employers

The UK's decision to leave the EU will have major implications for many employers, especially in those sectors employing a high share of EU nationals such as hospitality, healthcare, food production, retail and construction.

Employers' perspectives on Brexit

IES research found organisations' views towards Brexit fell into six categories:

- Welcome Brexit as a business opportunity
- Brexit a threat but workforce issues of limited interest
- Fear effects on supply chain and partners
- Predict varied workforce effects across their organisations
- Brexit will compound existing supply problems
- See Brexit as an opportunity in workforce terms

Workforce planning steps

Practitioners should have a clear understanding of the external factors impacting their organisations. A PESTLE analysis is one of the most effective frameworks available for understanding the 'big picture' in which an organisation operates. It looks at six key factors – political, economic, sociological, technological, legal and environmental.

Typically consisting of 10 steps:

- Identify the scope of the research
- Decide how the information will be collected and by whom
- Identify appropriate sources of information
- Gather the information
- Analyse the findings
- Identify priority issues
- Identify the business-specific options to address the issues
- Write discussion document for all stakeholders
- Disseminate and discuss findings with stakeholders and decision-makers
- Decide what actions need to be taken, which trends to monitor on an ongoing basis

Options for addressing workforce requirements

CIPD research showed that over 10% of employers are considering or have decided to transfer all or part of their operations outside the UK as a result of Brexit. Nearly the same proportion say they are likely to concentrate any future expansion of business outside the UK.

Organisations should carefully monitor whether:

- company satisfaction levels are falling in employee attitude surveys among non-UK nationals
- patterns of job applications are starting to shift in advance of changes to immigration rules
- 'intention to leave' figures are going up among non-UK nationals
- larger numbers of EU workers are resigning than would normally be the case.

Conclusion

The research conducted for this guide suggests that not only will Brexit potentially affect workforce requirements, but it will potentially complicate labour availability as well. Some organisations are untroubled. Others are already worried, but the largest group is unsure what effects Brexit will bring and will not act until matters become clear.

Factsheet - Swiss Aviation Agreement

Switzerland has a bilateral agreement on aviation applying the rules, regulations, associated costs and benefits of the European Common Aviation Area to Switzerland.

Chronology

- 21st June 1999: Signing of the Agreement (in the framework of Bilateral Agreements I)
- 21st May 2000: Approval of the Agreement by electorate
- 1st June 2002: Entry into force of the Agreement
- Since November 2011: negotiations on domestic flights by foreign airlines (8th and 9th Freedom)

Content

Mutual access to aviation markets for airlines. Swiss airlines enjoy nearly the same competitive conditions as EU competitors, not discriminated against, i.e. in landing rights.

The EU-Swiss Air Transport Agreement, signed in 2002, contains some interesting features from the perspective of the UK, preparing for Brexit. For example:

- Article 13 prohibits state aid except in certain circumstances defined in that Article.
- Article 15, importantly, states that EU and Swiss air carriers “shall be granted traffic rights between any point in Switzerland and any point in the Community” and that “two years after the entry into force” of the Agreement, “Swiss air carriers shall be granted traffic rights between points in different EC Member States”. It also permitted further amendment to secure traffic rights for Swiss carriers between points within Member States;
- Article 16 states that Article 15 supersedes the relevant provision of existing bilateral arrangements between Switzerland and Member States, however “existing traffic rights which originate from these bilateral arrangements and which are not covered under Article 15 can continue to be exercised, provided that there is no discrimination on the grounds of nationality and competition is not distorted”.
- Article 21 provides for the establishment of a Joint Committee, composed of representatives of the contracting parties, to administer the Agreement and manage its implementation. Under other articles it has various powers as regards dispute resolution between the parties, and consultation on various matters; and
- The Annex to the Agreement lists those EU legislative instruments which would also apply with Switzerland as in the same way to any EU Member State and to Swiss air carriers in the same way as to EU carriers. It includes all the main liberalisation measures and compensation requirements.

Switzerland does not have the same access as ECAA carriers as they do not have cabotage rights. This is because they have yet to implement reciprocal rights for EU carriers within Switzerland.

Text of Agreement - <https://www.eda.admin.ch/dea/en/home/bilaterale-abkommen/ueberblick/bilaterale-abkommen-1/luftverkehr.html>

Factsheet - Swiss Road and Rail Agreement

Switzerland signed a bilateral agreement (**EU-Swiss Road and Rail Agreement**) with the EU on land transportation broadly applying much of the common rules on road and rail without the market pillars to Switzerland.

Chronology

- June 1999: Signing of the Agreement (in the framework of Bilateral Agreements I)
- May 2000: Approval of the Agreement by the electorate
- June 2002: Entry into force of the Agreement
- 2005–2017: Adjustments in the HGV tax (2005, 2008, 2009, 2012, 2017)

Content

Opens road/railway transport market for transport of persons and goods. Contributes to the shifting of transalpine freight traffic from road to rail. Introduction of a heavy vehicle tax and the increase of the maximum weight limit for trucks to 40 tonnes

The markets for road/rail transport will be opened to competition, Switzerland's transport policy on road-to-rail transfer becomes part of EU policy. Provides a contractual basis for introduction of an HGV tax. Introduced in 2001 it helps fund development of railway infrastructure in Switzerland, transfer of goods from road to rail. EU officially recognised this aspect of Swiss transport policy.

The **EU-Swiss Road and Rail Agreement**, signed in 2002, contains the following:

- Title II, Parts A and B refer to **road haulage**. Articles 5 to 7 provide for common standards for Swiss and EU road hauliers, and the relevant social and technical standards including HGV weights.
- Articles 9 and 10 provide for the carriage of goods between and across the territories of the contracting parties. Article 14 importantly, forbids Swiss companies from transporting goods between two points within an EU Member State;
- Title II, Part C refers to **bus and coach travel**;
- Title III refers to **rail**. Article 23 commits both parties to separating the management of the railway infrastructure from the provision of railway transport services, at least at the accounting level and forbidding the transfer of aid between the two;
- Title IV refers to a **coordinated transport policy**. Article 30 commits both parties to, where necessary, developing a coordinated transport policy covering passengers and goods, with the aim of combining efficiency and environmental protection. It also states that they will make "every effort to create broadly comparable transport conditions, including tax arrangements, in their respective territories". Article 31 states that this shall include "healthy competition" between modes of transport and facilitating "more environmentally sound means of transporting passengers and goods". It also provides for 'appropriate' road charges, more detail of which is given in Articles 38 to 42;

- Article 51 refers to the establishment of a Joint Committee, composed of representatives of the contracting parties, to administer the Agreement and manage its implementation. Under other articles it has various powers as regards dispute resolution between the parties, and consultation on various matters; and
- The ten annexes to the Agreement list those EU legislative instruments which would also apply with Switzerland as in the same way to any EU Member State.

Text of Swiss Overland Agreement -

<https://www.eda.admin.ch/dea/en/home/bilaterale-abkommen/ueberblick/bilaterale-abkommen-1/landverkehr.html>