SURVEY

UNDERSTANDING OF THE IMPACT OF BREXIT ON TRADE FLOWS FROM ACP COUNTRIES TO GREAT BRITAIN AND NORTHERN IRELAND

October 2022

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1. CONTEXT

The UK is a significant market for fresh and processed fruit and vegetables and cut flowers from ACP countries both through direct trade and via EU member states. The main ACP countries of origin of UK imports are the following:

- For edible vegetables and tubers (HS Chapter 07) Kenya, Senegal, South Africa, Ghana, Uganda, Ethiopia, Zimbabwe
- For edible fruit and nuts (HS Chapter 08) South Africa (11.2% of UK imports in this chapter are from South Africa), Dominican Republic, Ghana, Belize, Namibia, Cameroon, Cote d'Ivoire
- For cut flowers and plants (HS Chapter 06) Kenya, Ethiopia, South Africa, Tanzania, Zambia, Uganda, Rwanda.[1]

Certain ACP countries are particularly dependent on the UK as a market for their fresh produce, meaning trade disruption has an important impact on economic development, jobs and farmer incomes.

- 33.5% of Kenya's exports of leguminous vegetables (HS0708) are sold directly to the UK, with a further 56.4% of their exports going to The Netherlands, France, Belgium and Ireland, a proportion of which is likely to be destined for the UK.
- 7.3% of Senegal's exports of leguminous vegetables are sold to the UK with a further 78.3% going to the Netherlands. Again, a proportion of this is likely to have the UK as its final destination market.
- 24.4% of all Ghana's vegetable exports come to the UK, their second most important market after the United States.
- 13.8% of Uganda's leguminous vegetables come to the UK, the second most important export destination after neighbouring Tanzania.
- For cut flowers 19.5% of Kenya's exports are sold to the UK, with 43.5% going to The Netherlands, again a proportion of this is likely to be sold on to the UK market.
- For ACP least developed countries (LDCs) such as Ethiopia the majority of their cut flowers go to The Netherlands (73.7%) and some of this will be sold on to the UK market. For Uganda the equivalent figure is 96.5%, for Tanzania 67.5% and for Zambia 64%
- Tanzania exports 27.9% of its cut flowers directly to the UK.
- 43% of Namibian grapes and 20.5% of South African grapes are exported directly to the UK.
- 44.5% of Ghana's exports under HS0804 (dates, figs, pineapples, avocados, guavas and mangoes) are sold to the UK and 17.9% of its bananas.
- 25.7% of the Dominican Republic's banana exports come to the UK.[2]

The last six years have seen important changes in how ACP countries are able to access the UK market. Following the 2016 referendum and subsequent exit from the European Union, the UK has put in place an independent trade policy, including establishing a global tariff, developing and updating a preference scheme for developing countries (the Developing Country Trading Scheme) and signing continuity trade agreements. These measures, most of which came into effect from January 1 2021,

[1] Data ITC Trade Map

[2] 2021 Data ITC Trade Map

now cover all ACP countries and have ensured a level of continuity in terms of direct market access arrangements.

On 30th December 2020 the UK and European Union agreed the Trade and Cooperation Agreement (TCA). Effective from January 2021 when the Brexit withdrawal period ended, the TCA established duty and quota free access between the parties. However, as the UK is no longer in the European Union Customs Union or Single Market, goods crossing between Great Britain and the EU are now subject to customs formalities. The EU began applying full checks on British imports from 1st January 2021 while the UK decided on a phased approach. The UK started to implement full customs checks on EU imports and some plant health and safety checks for certain products from January 2022. In April 2022 the UK government announced that plans to introduce full plant health and safety checks in July would not happen. Instead the UK plans to consult with business and reassess the regime including looking at improved border technology. A new system is expected to be in place by 1 January 2024 at the latest.

Separate arrangements have been made for Northern Ireland due to the sensitivity of the Irish border crossing. The Northern Ireland Protocol allows for no border formalities on the island of Ireland and sets out new rules for goods moving from Great Britain to Northern Ireland. There are ongoing discussions between the parties about the functioning of the Protocol.

In January 2022 the UK also signalled that it wants to diverge its regulatory regime from the EU. The 'Brexit Freedoms Bill' is designed to speed up this decoupling process. Some divergence is already in place, for example some plant health rules and pesticide maximum residue levels as well as organic rules, as the UK has not adopted the new EU Organic Regulation.

All of these developments have implications for ACP small and medium enterprises (SMEs) producing and exporting cut flowers, fresh fruit and vegetables to the UK.

- ACP exporters selling directly to the UK market now have to comply with the UK's new border control systems and checks.
- ACP exporters who ship to an EU member state for onward trade to the UK market now face customs checks at both the EU and UK borders. Unless ACP exporters are able to keep such products under customs supervision in the EU, they face paying the UK's MFN tariff on entry to the UK.
- ACP exporters who ship primarily to the UK and then onwards to EU markets similarly have been facing additional trade friction including assessment of compliance with the TCA rules of origin.
- Regulatory divergence may begin to create opportunities for ACP exporters to sell directly into the UK with fewer restrictions.

2. Project methodology

In order to assess the impact of these changes on ACP exporters and producers, COLEAD conducted an online survey and a series of in-depth interviews.

A comprehensive survey was developed, piloted, translated into French and then sent out to COLEAD partners and promoted through a variety of other channels. The survey was open from 22 June 2022 to 27 July 2022 at which point the French and English responses were merged to give a complete set of results.[3] Given the complex nature of the issues involved the survey was complemented by in depth interviews with EU and UK based importers, ACP exporters and trade associations. These were conducted throughout June, July and September 2022.

This report summarises and analyses the information collected in the survey and supplementary interviews. In Sections 4-6, opportunities and challenges experienced in direct supply chains are analysed separately to those in indirect supply chains, combining the results from the survey and interviews. This is followed by the consideration of additional information needs, and concludes with a summary and recommendations.

2.1. Characteristics of interview respondents

The importers interviewed were selected for their focus on purchase of fresh produce from ACP countries, primarily (although not exclusively) for sale in the UK market, as well as for their familiarity with cross border (EU-UK) trade. The UK-based firms interviewed together represent a combined turnover of £547 million, purchasing fresh fruit, vegetables, herbs, ingredients and cut flowers from at least 11 ACP countries.[4]

In addition, interviews were held with key trade associations representing over 500 businesses in the fresh produce sector and over 3000 businesses in the cut flower sector.

2.2. Characteristics of survey respondents (exporters)

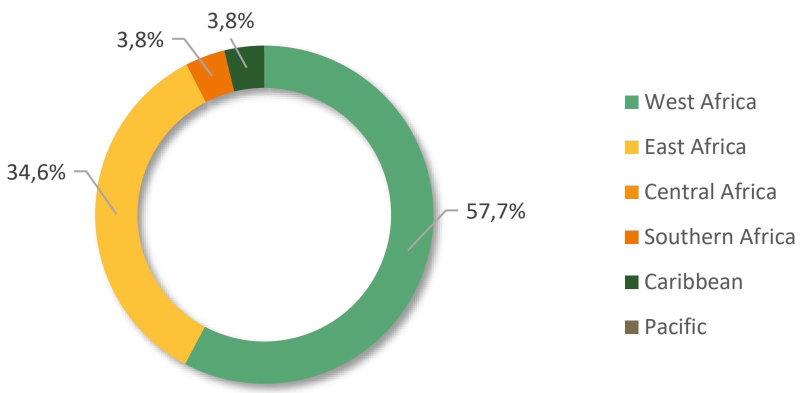

Figure 1: Location of survey respondents' business

[3] Of the estimated 67 businesses on COLEAD's list who trade with the UK, a total of 26 completed the survey, giving a response rate of 39%.

[4] Information compiled from company annual reports.

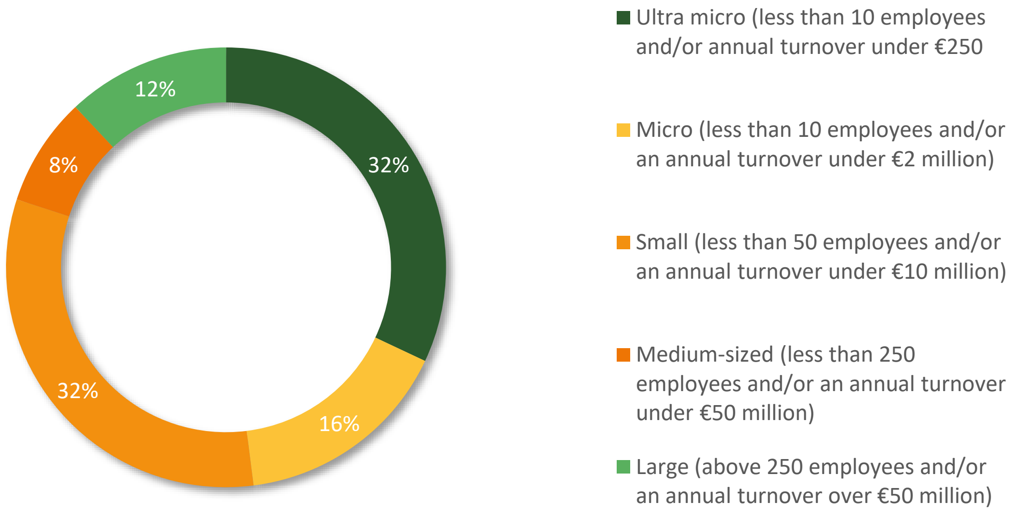

Figure 2: Size of the survey respondents' business

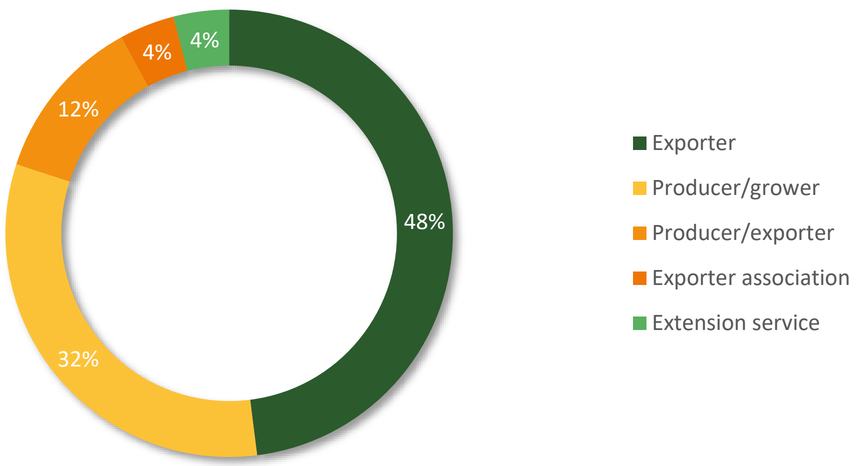

Figure 3: Nature of survey respondents' business

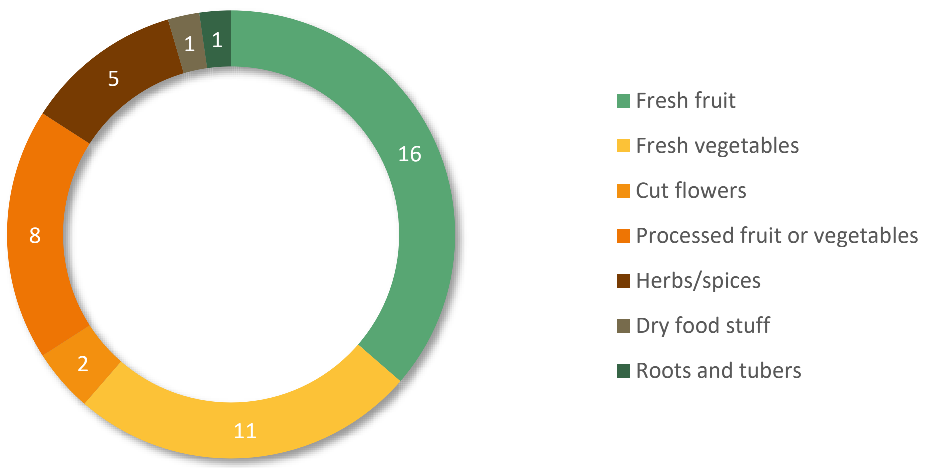

Figure 4: Product area of survey respondents

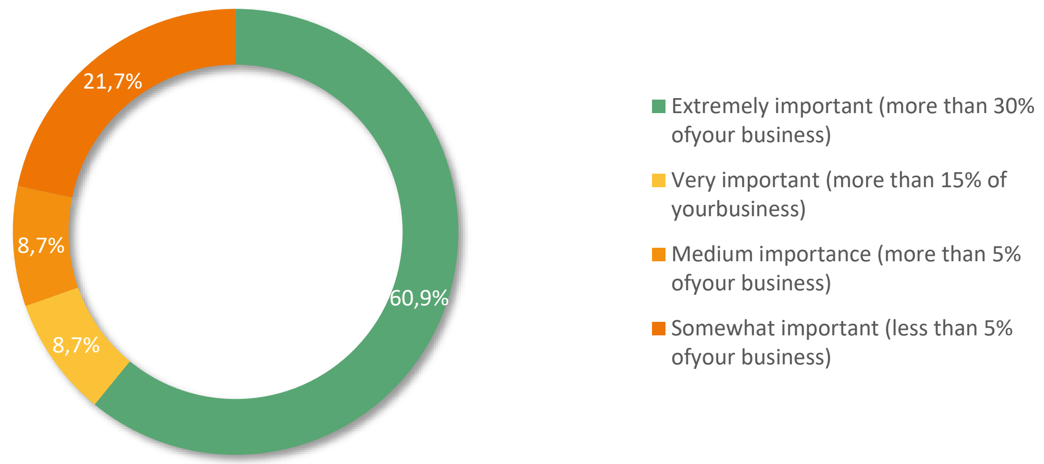

Figure 5: Importance of the UK market for the survey respondents' business

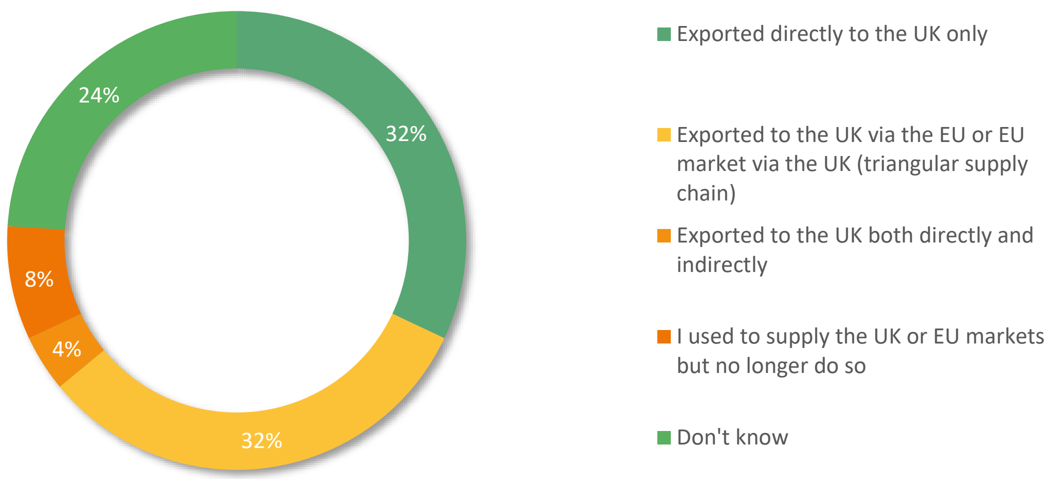

Figure 6: Survey respondents' means of export

3. DIRECT VS INDIRECT SUPPLY CHAINS

Amongst the businesses that completed the online survey, a difference was noted between those who supplied the UK market directly and those who had indirect supply chains. When asked about their experience of **directly** supplying the UK market, 71% of the businesses who answered this question reported a broadly positive experience, with 50% saying that their experience had stayed the same, 21% that trading had got easier, and 29% saying things had got more difficult.

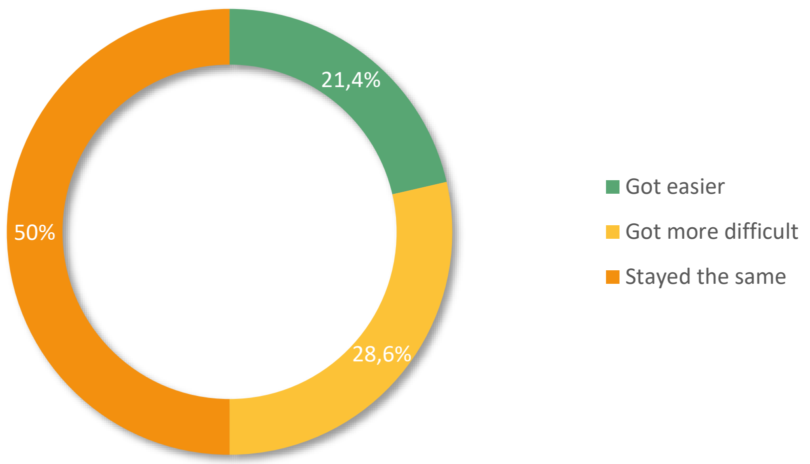

Figure 7: Survey respondents’ experience of directly supplying the UK market since January 2021

In contrast, when asked about their experience of **indirectly** supplying the UK market, 75% of businesses who responded said that it had got more difficult, and 25% said it had stayed the same. No one answered that the situation had improved.

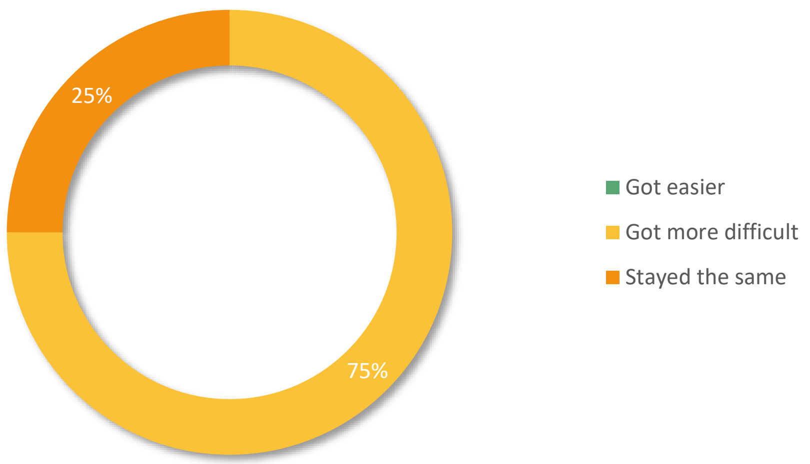

Figure 8: Survey respondents’ experience of indirectly supplying the UK market since January 2021

This question was also addressed in the supplementary interview process. Here there was a much less clear distinction, with companies experiencing an equally significant but distinct range of problems in both their direct and indirect trade.

4. GLOBAL CONTEXT

It is important to try to disentangle problems that businesses are experiencing due to the COVID pandemic, global supply chain challenges and more recently the war in Ukraine and global inflation, from those more directly caused by the UK leaving the EU single market and customs union on 1st January 2021.

All businesses cited the exponential rise in shipping and/or air freight costs as one of the most important and urgent challenges they are currently facing and requested support from the UK and EU authorities on managing this situation. Global price rises more generally also regularly came up including rising port costs, logistics providers costs, import agencies fees/service agreements and staffing costs. This study recognises that these issues have multiple causes, some of which are clearly distinct from - although overlay - problems caused more directly by Brexit.

5. OPPORTUNITIES AND CHALLENGES FOR DIRECT SUPPLY CHAINS

5.1. Opportunities

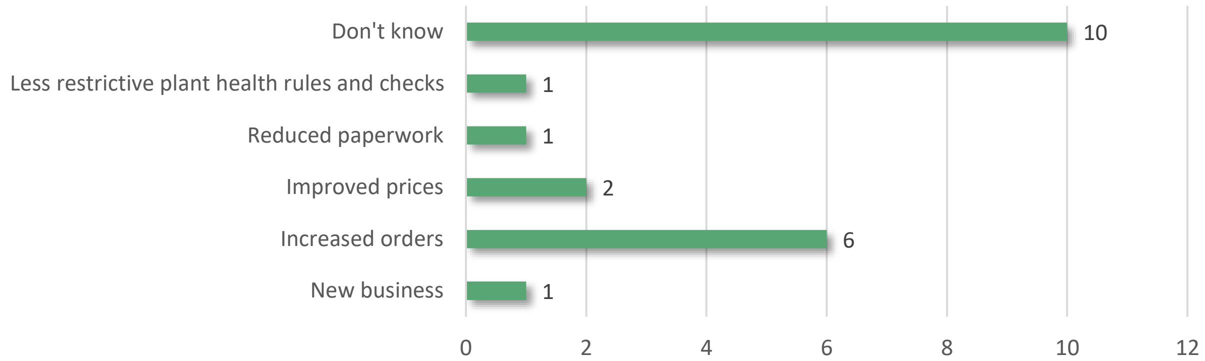

Figure 9: Survey respondents' experience of any new opportunities when directly supplying the UK market since January 2021

As can be seen from the chart, several companies reported new business or increased orders since January 2021. One business explained that they had received new orders because competitors are struggling, or even going under, following Brexit pressures. It may also be possible that some UK-based businesses have switched from sourcing from or via the EU to sourcing directly from ACP countries, although no clear evidence of this was found.

There were also interesting examples of ad hoc benefits stemming from small divergences in regulatory standards between the EU and the UK, which were reported during the interviews:

- One exporter is able to continue to use a chemical product on their goods destined for the UK, which is now banned in the EU. The product limits spoilage during shipping and the exporter has struggled to find a suitable organic alternative. They noted that there are now 'two separate worlds' with the UK becoming closer to the US, whilst the EU expects higher standards in terms of human rights and the environment. However, the EU market is prepared to pay higher 'incentive' prices for these higher standards. In the longer term, the exporter wants to concentrate on this higher value market and wants to move away from the use of chemicals as this is better for farmers and soil health.

- Another importer gave the example of mango, which is subject to additional plant health measures in the EU because of fruit fly. If fruit fly is detected at the point of import, the consignment cannot enter the EU. This additional measure has not been adopted in the UK. This means that if fruit fly is detected on landing in the EU, to avoid destruction of the consignment, it can be transported on to the UK. This involves paperwork and legal costs, but is better for the company than losing the entire value of the shipment. In general, this importer saw EU standards as positive and argued that as growers have to comply with GlobalG.A.P. there is little benefit from divergence.

5.2. Challenges

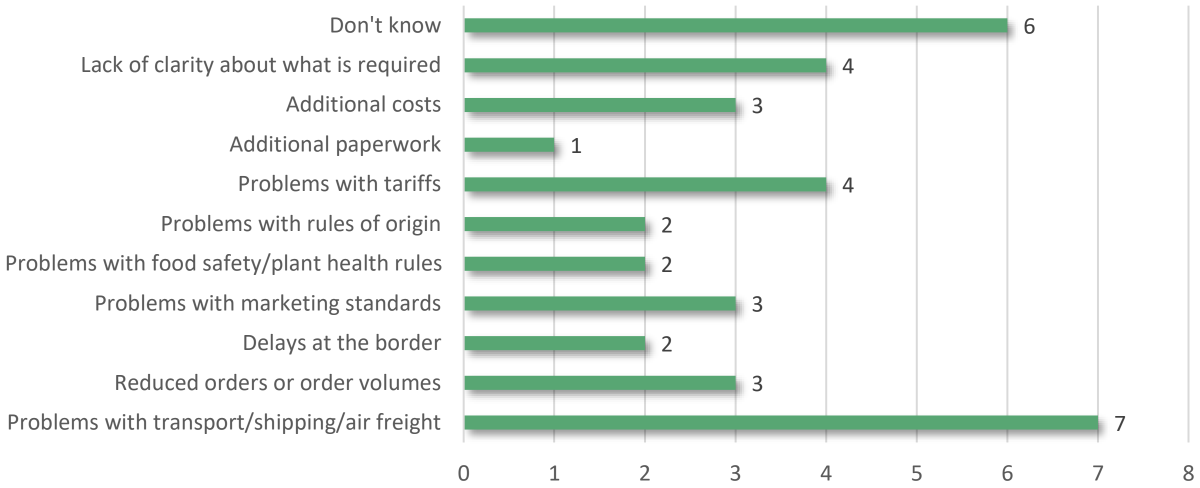

Figure 10: Survey respondents' experience of any new challenges when directly supplying the UK market since January 2021

Ghana temporary tariff issue

For most companies supplying the UK market directly there have been limited tariff and customs related problems, in part because the UK and trading partners replicated the EU's trade arrangements including all major FTAs and trade preferences for developing countries. One significant exception to this was Ghana, where there was some confusion as to whether the Economic Partnership Agreement had been replicated in time for the 1st January 2021 deadline. The UK imposed tariffs on Ghanaian imports causing, considerable disruption and expense to a number of businesses for a three month period. Importers of fresh produce (bananas) paid considerable sums in tariffs, while exporters of non-perishables (canned tuna) were forced to pay to keep goods in port, delaying shipment until the situation was resolved. There has been no compensation for these losses.

Airport capacity and staffing

UK airport capacity and high costs were cited as key problems for companies who want to airfreight directly into the UK. According to numerous sources Heathrow airport is considered extremely expensive, Gatwick has limited routes, Doncaster is ending its cargo operations and Stansted and Luton also have limited capacity. Once cargo lands at UK airports there is often a lack of inspection personnel (Animal and Plant Health Agency) available to inspect the goods promptly, essential for short shelf-life goods. The UK is still operating under retained Regulation (EU) 2019/1793) which specifies the increased level of checks that must be conducted on high-risk products, but there is not the capacity to perform these checks in a timely manner, causing delays to perishable goods. In July

2022 the UK proposed plans to harmonise the fees and plant import check frequency for EU and non-EU goods, which may help to alleviate the pressure.[5]

Port capacity and staffing

There were several examples of problems relating to UK port capacity. One company has experienced a recurrent problem where the shipping line cancels the stop in the UK due to port congestion. The company then must land those goods at an EU port, take the goods out of the containers and pay for refrigerated trucks to transport them back to the UK. For this they need to complete a transit authority (T1) form, put the consignment load by load into the IT system, input the entry point and then face customs clearance and phytosanitary controls on entry to the UK. Whilst UK port congestion is a result of a number of global factors, including but not limited to Brexit, the outcome for the businesses concerned is considerable delays to their product (with associated quality loss) as well as additional paperwork and costs. The company said this problem is happening very frequently, with around 20% of their goods affected. They have been able to handle the problem as they have agents in both the UK and EU and are beginning to get into a routine, whereas they observed that a smaller business or one with no EU-based agent would struggle. Their problem has also been easier to handle as they are dealing with a year-round product. For businesses trading seasonal products they may have just 3 months to try to find solutions to such issues. Even though they are finding ways to cope, they are having to absorb the additional costs in terms of time, outlays and diverting staff to crisis management.

Another company cited lack of sufficient equipment and staffing at UK ports as a major problem for them. In particular, they experience problems because the National Border Force does not have the scanners or personnel to carry out inspections on their products, leading to the goods being put on 'hold' with no clarity as to when they might be released. In one example, x-ray equipment is being shared between ports. Delays are frequent and have been as long as 12 days for perishable goods. In these cases the company concerned has had to sell at a loss, replace the product (sometimes with a higher value product which requires packing in the UK - with additional value loss and labour costs) or in one case they had to discard the product.

[5] British Association of Landscape Industries "Defra propose new flat rate import fee and changes to frequency of checks" 30 June 2022

6. OPPORTUNITIES AND CHALLENGES FOR INDIRECT SUPPLY CHAINS

6.1. Opportunities

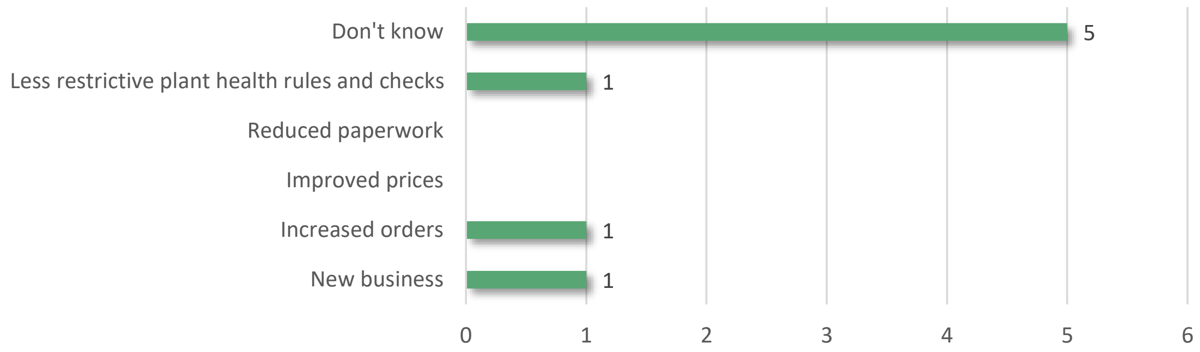

Figure 11: Survey respondents' (or their importer/intermediary) experience of any new opportunities when supplying the UK or EU markets indirectly since January 2021

None of the companies interviewed could point to any new opportunities they had experienced since Brexit.

6.2. Challenges

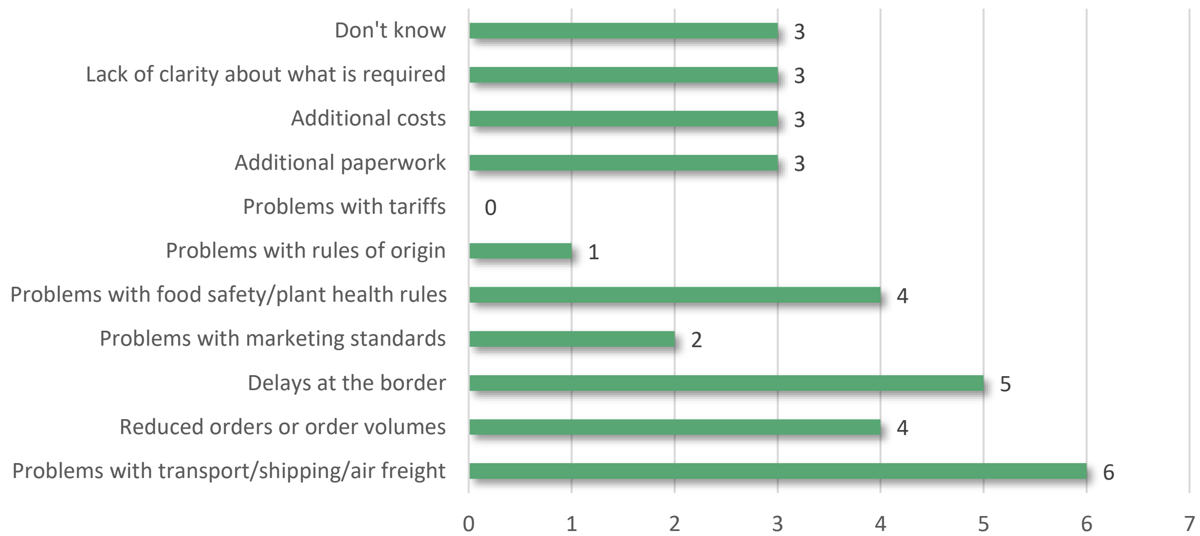

Figure 12: Survey respondents' (or their importer/intermediary) experience of any new challenges when supplying the UK or EU markets indirectly since January 2021

Rules of origin related problems

There is a persistent issue that goods arriving from ACP countries in one market (for example the UK) but whose final destination is an EU member state (or vice versa) are paying a full MFN tariff if the goods have cleared customs but insufficient processing has happened for them to qualify for preferential access under the EU-UK Trade and Cooperation Agreement (TCA). This is despite both the EU and UK maintaining duty free access for ACP countries through either the EPAs or their respective preference schemes. In some instances, companies are successfully keeping their goods under customs supervision to avoid this problem, but that is not always possible. This situation is partly created by the lack of diagonal cumulation provisions in the EU-UK TCA, which would have enabled the trade arrangements that each party has with the origin country to be considered.

One cut flower importer interviewed sometimes supplements their direct ACP purchases with flowers bought at the Dutch flower auction. The flowers arrive in The Netherlands from the ACP country (for example Kenya) clear customs (no duty payable) and are inspected. However, when the flowers are transported to the UK as a Kenyan product with insufficient European working or added value, they do not qualify for duty free access under the terms of the TCA.] In this situation the company is paying the full UK MFN tariff, despite the product being from a developing country that enjoys duty free access into both the EU and UK markets. The UK cut flower MFN is 8%, plus the goods are subject to additional inspections in the UK adding potentially costly delays. The company concerned is currently absorbing the cost but, along with other surcharges, this is making Kenya an uncompetitive origin. This company estimated they have paid around £30-£40 000 in duties on flowers bought via The Netherlands so far in 2022. Their preferred solution to this problem is for the UK to reduce its flower MFN to zero, but there have are concerns about whether this would lead to preference erosion for other ACP flower exporters which need further analysis.

At least two UK-based businesses interviewed have stopped serving the Irish market altogether as it was proving too complex and expensive to pass goods through Great Britain. As ACP products with minimal or no additional processing in the UK, their goods do not qualify for duty free access under the TCA. Both companies are exploring direct transport routes from Europe to Ireland, but this is proving prohibitively expensive given the volumes. In addition, by-passing the UK means companies are unable to inspect their goods, making it harder to query supermarket rejections. This complication caused by the UK leaving the EU single market and customs union is having an impact on the ability of companies to move smaller volumes from smaller growers from developing countries.

Another business has had similar challenges importing ACP goods into the UK where they undergo some processing before sale into various EU markets. They have faced different interpretations of the EU-UK TCA rules of origin from different EU member state customs officials. In the absence of clarity on this, they have been paying the EU's MFN tariff (between 5.8% and 8.8% depending on the product). They have now agreed an interpretation with French officials that their products have undergone sufficient processing in the UK and therefore do qualify for preferential access under the TCA and are hoping to get the same from other member states. It has been a hugely difficult, time consuming and expensive process to navigate.

A number of businesses have had to start using transit paperwork as their goods must now remain under customs supervision as they move through the EU to the UK market. For some this seems to be working smoothly, but it is an ongoing additional cost which companies are having to absorb.

Paperwork 'catch 22'

A specific paperwork anomaly is causing one company considerable problems. Controlled vegetables (such as chillies, baby corn and green beans) landed at an EU airport cannot be transported under a normal transit (T1) form because high risk items require a Common Health Entry Document (CHED), but the UK's PEACH system does not allow the CHED to be generated for goods remaining under customs supervision. If there was a relevant border inspection point at Dover, this would solve the problem as the CHED form could be issued there, but at present the company is not able to get their product to the appropriate inspection facility (which is at Heathrow airport) without the CHED. To get around this problem at the moment the company is customs clearing their products in Belgium and then re-exporting to the UK, attracting a duty of between 7 and 13%. The company has paid around £100 000 in duties this year.

Groupage issues

Several businesses face the ongoing problem that they can no longer mix higher and lower risk products, as there is a danger that checks on the higher risk products will delay the whole shipment. Instead, they are now having to transport goods separately and produce two sets of paperwork. This obviously adds costs, but often is not possible as the volumes of some products are not sufficient to justify separate transport, affecting smaller volumes and smaller growers, with potential development implications.

Logistics and haulage consolidation problems

Before Brexit, European airlines used to provide door-to-door logistics solutions. For a flat rate they would pick up a product in the ACP origin country and deliver it to the UK depot, routed via (for example) Brussels airport. They would be able to offer this even for seasonal produce in the low and shoulder seasons as there would be plenty of opportunity to consolidate transport from Belgium to the UK. Now the airlines no longer want to take on this risk as it is harder to find hauliers, harder to consolidate, and the likelihood of costly delays to perishable products is much higher. The airlines are now only transporting airport to airport, meaning that importers are having to take on the job of managing hauliers, dealing with customs and plant health checks. This involves considerable extra costs in terms of multiple service provider fees and/or the need to hire staff to support these functions. Again, this challenge has development implications, making it harder for companies to source from smaller farmers with smaller volumes.

Lack of border inspection facilities at Dover

One company cited the lack of a Border Control Post that can handle Sanitary and Phytosanitary (SPS) checks at Dover. They fly their product (cut flowers) into an EU airport and transport these under a T1 transit document to the UK. Goods are customs checked at Dover, but there is no border inspection point at Dover and instead controlled flowers must be transported to Heathrow to be inspected. They have to separate their controlled and non-controlled goods but can't touch the non-controlled goods until the controlled ones have completed their inspections, meaning the whole cargo is delayed. Goods are supposed to be inspected within 4 hours of arrival at the Heathrow facility, but this can take much longer. They may have to wait as long as 24 hours trying to maintain the temperature, and therefore the quality, of their products.

Inventory management

Several of the businesses interviewed said that the end of easy cross-channel trade (either because of the possibility of paying double tariffs or the problems of delays and paperwork) was causing them forecasting and inventory management challenges. Pre-Brexit they could direct the product depending on market need and price signals and make up shortfalls across their European operations. This is now much more difficult, requiring them to be much tighter on forecasting and, on occasion, leads to food waste as it is just too costly to get product across the EU-UK border.

UK labour shortages

Several of the businesses interviewed said they were struggling to recruit staff in the UK, in particular temporary and seasonal staff. A number of businesses have lost EU nationals who have returned to their home country and they are now holding vacancies, while agencies are struggling to supply the need. This is compounded by the rural location of some facilities where businesses are now having to provide transport to attract workers. There has also been the problem with lorry drivers, although this has eased. One business at least has their own drivers and has given them a significant pay rise to ensure retention.

Teething problems cost small farmers

One ACP exporter had a major problem immediately after Brexit when two shipments were turned away from French ports multiple times for having the incorrect paperwork. By the time the situation was resolved, three quarters of the shipments were spoiled, leading to a loss of US$70,000. The farmers groups are now indebted to this amount. They eventually resolved the situation by by-passing France altogether and using Dutch ports instead. Although this was a 'teething' problem - the paperwork was issued before 1 January 2021, but the shipment arrived after the rules had changed - the substantial losses incurred will cause problems for the farmers for several years to come, raising the question of whether they are entitled to compensation.

7. INFORMATION PROVISION

Respondents to the online survey noted their main sources of information on this topic.

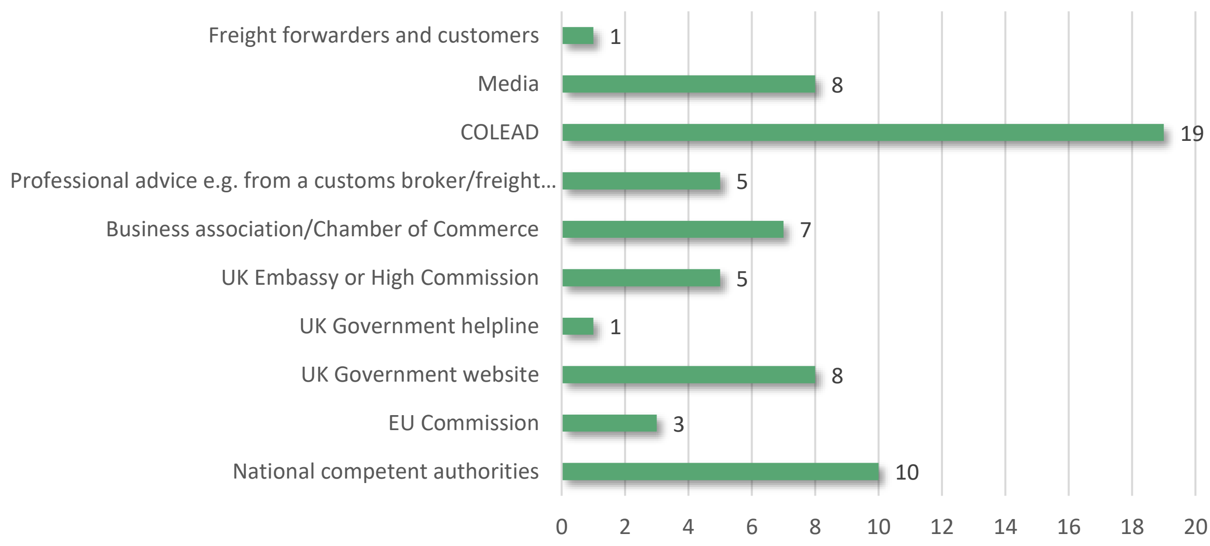

Figure 13: Survey respondents' main sources of information regarding changes to trade with the UK

Unsurprisingly, given their reach and relationships with this particular cohort, COLEAD was cited as the most important source of information. This was followed by national competent authorities, the media, the UK government website and business associations. Most of the larger companies interviewed are relying on professional associations for advice as they find government advice too complex to follow. As changes and improvements to the trading system are made over time, it will be important to ensure uptake by providing simple and timely information through the best channels.

Respondents said that regular email updates and webinars were the most useful thing that COLEAD could do to support them in this area. More in person training, support with the freight issue, as well as support for certification and access to finance were also mentioned.

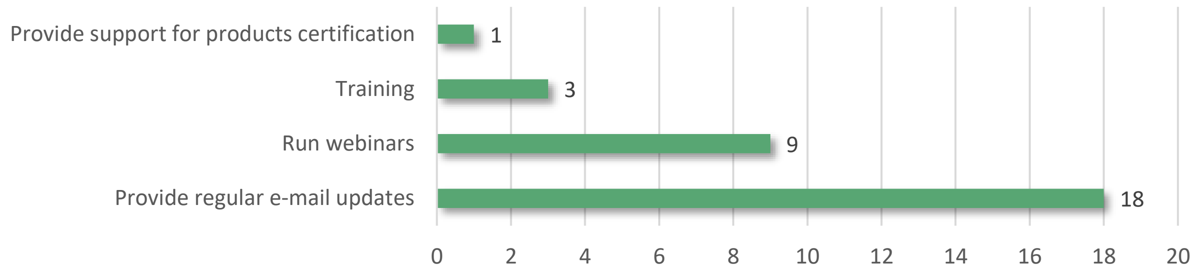

Figure 14: What could COLEAD do more to support survey respondents' business/members to trade with the UK

8. CONCLUSIONS AND RECOMMENDATIONS

The case studies and examples included in this report, based on evidence gathered from the online survey completed by developing country exporters, and the in-depth interviews with UK and EU-based importers and trade associations representing hundreds of businesses, point to the type of challenges that are being faced by the fresh produce sector today.

These challenges, caused by the changes to trading systems as a rule of the UK leaving the EU customs union and single market, if left unaddressed will have potentially very serious developmental consequences, particularly for a small number of countries with a heavy dependence on the UK market such as Kenya, Ghana, South Africa, Senegal, Dominican Republic and Ethiopia.

- The cost and limited air freight capacity in the UK is making some origins prohibitively expensive, forcing importers to consider their sourcing strategies.
- Logistics and transport consolidation challenges are making it harder to justify lower volumes, leading towards a trend to consolidate purchasing from larger players in fewer countries.
- Goods from ACP countries continue to face MFN tariffs when re-exported from the UK to the EU or vice-versa, despite both countries providing duty and quota free access. Strategies to keep goods under customs supervision are not always feasible.
- The lack of official inspection and port capacity is causing expensive delays. Companies are having to consider the costs of importing high-risk alongside low-risk goods from developing countries

It is hard to put a figure on the possible scale of the impact but as an indicator:

- Kenya's sales of vegetables to the UK in 2021 were valued at US$ 116 million and sales of cut flowers were valued at US$ 144 million. Exports in these sectors represent 14% of Kenya's total exports.
- For a Least Developed Country such as Ethiopia exports of vegetables and cut flowers make up a critical 30.4% of the value of total exports.
- South Africa's sales of fruit to the UK in 2021 were valued at US$ 611 million, Ghana's US$ 62 million and Dominican Republic's US$ 71 million. Fruit is 4% of South Africa's total exports, 3% of Ghana's and 3% of Dominican Republic's. [6]

[6] ITC Trade Map data

For countries that have based their economic development and job creation strategies on export agriculture there are some important discussions to have, both internally and with development partners, about market diversification, regional integration and local value addition.

For all the businesses that were interviewed, the Brexit-related delays and additional costs (tariffs, delays, paperwork, fees, staffing) come as an unwelcome additional strain on top of the significant inflation-related challenges they are now facing. Many of the businesses raised the fact that they have not experienced increased prices or indeed much, if any, understanding from their customers and are expected to absorb this ongoing higher cost and risk burden. Given that the British supermarkets are important customers for some of these businesses, there may be a role for the UK's Groceries Code Adjudicator to assess practice and impacts.

Businesses are doing what they can. They are employing a range of strategies to cope including trying to reroute supply chains, consolidating towards higher margin lines or even being prepared to lose customers who were not paying fair prices. Others are changing production techniques, and some are evaluating their sourcing decisions.

There is little expectation that it will be possible to go back to the pre-Brexit level of frictionless trade, but there is a clear hope that some of these issues can be easily lessened through a proactive and cooperative approach from the UK government and the EU.

Survey respondents had 3 top recommendations to the UK and EU authorities: provide more training and information; speed up/simplify border processes and streamline or clarify paperwork.

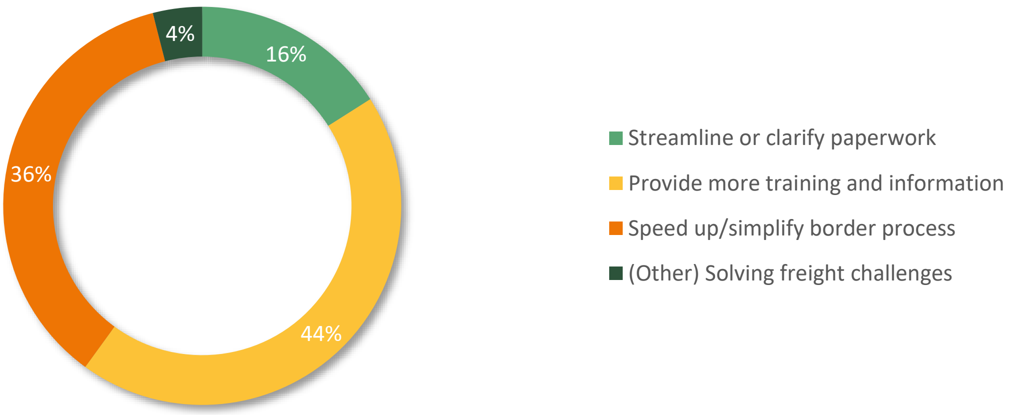

Figure 15: How could the UK government or the EU support survey respondents' business/members to supply the UK and EU markets in the future

The evidence gathered throughout this project points to the following recommendations.

8.1. Recommendations for the UK government

- Invest in UK port and airport cargo infrastructure and capacity and work to ensure competitive service provision to reduce costs for business.
- Ensure sufficient inspection capacity at UK ports and airports to cope with the increase in direct sea and air freight and explore ways to reduce costs for business.
- Improve the efficiency and responsiveness of the National Border Force activities at UK ports.
- Work with businesses to design and implement modern border management systems.

- Consider rationalising the number of checks required or moving to a trusted trader scheme whereby ACP exporters are designated and checks done at origin.
- Establish a working group consisting of ACP exporters and UK and EU-based importers of fresh produce to consider the full plant health checks due to come in by 2024 and work together to develop viable solutions.
- Prioritise the establishment of an SPS Border Control Point at Dover or alternatively adopt a trusted trader solution suitable for adoption by SMEs.
- Consider reducing the UK's cut flower MFN to zero, taking into account any possible preference erosion impacts and relative competitiveness factors such as cost of air freight.
- Improve the provision of simple, accessible, business-friendly information through trusted sources.
- Ensure the Groceries Code Adjudicator is able to respond to these types of dynamic changes to supply chains and that risks and costs are shared appropriately and fairly.

8.2. Recommendations for the EU

Ensure more consistent interpretation of the Trade and Cooperation Agreement rules of origin in different member states.

8.3. Recommendations for the UK and the EU working together

Work together to jointly develop TCA rules of origin solutions that will facilitate ease of movement across the EU-UK border for goods from developing countries where both parties grant duty free access.

GROWING PEOPLE

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