

Will Johnson's Brexit deal bring choppy waters to Holyhead?

*The new Withdrawal Agreement would mean the Irish Sea will become a border between Welsh ports and the Republic of Ireland. This will mean big changes for Holyhead. **Andrew Potter (Cardiff Business School)** looks at the likely problems and how they could be minimised.*

As 2019 draws to a close, the logistics industry is once again digesting a new potential scenario for moving goods between the UK and EU, thanks to the Withdrawal Agreement agreed in October and which will be enacted if the Conservatives win a majority in the General Election. Within Wales, there has been significant discussion by both [politicians](#) and the [media](#) about what this might mean for ports, and particularly those serving the Republic of Ireland.

The most important port in this discussion is Holyhead, with over [440,000 trucks travelling to or from Dublin in 2018](#). These are roll-on roll-off (RoRo) movements, often time sensitive and always accompanied by the driver. Consequently, this makes Holyhead the second largest RoRo port in the UK after Dover.

Bringing back a border

The main thing to note is that the new agreement would effectively make the Irish Sea a border between Welsh ports and the Republic of Ireland. This differs from the previous version of the Agreement and occurs because the UK would move away from both the Customs Union and the Single Market.



Holyhead. Photo: [Chandler Abraham](#) via a [CC BY 2.0 licence](#)

Consequently, there would be a requirement for more checks at the port of departure and/or arrival. These extend beyond just customs and include animal welfare, driver licencing and insurance and product conformance, and therefore involve various government agencies. More often than not, these checks will involve little more than a review of paperwork, but the volume of vehicles through Holyhead mean that delays would seem likely.

Further, 40% of the traffic through Holyhead is actually using the UK as a landbridge, rather than going by sea between Ireland and mainland Europe. Therefore, these movements will generally be subject to two sets of checks as they enter and leave the EU. It is also unclear what the circumstance will be for traffic from Northern Ireland that currently passes through the Republic of Ireland on its way to Holyhead.

The impact on Holyhead

What this means is that it will take longer for vehicles to pass through Holyhead, leading to queues and delays. The first few days would likely be the worst, and over time a 'new normal' situation would emerge. However, given the nature of products and that the driver is the biggest cost in road haulage operations, these delays may encourage a switch to unaccompanied vehicles where the trailer travels alone and is collected from the port at the other end. In this instance, ports such as Liverpool become more attractive given their existing services and when time is less important in decision making.

For landbridge traffic, the option of bypassing the UK completely by sea could become more attractive, although the impact on Holyhead and other Welsh ports is likely to be determined more by what happens in Kent and the English Channel crossings. For the traffic from Northern Ireland, taking one of the shipping routes from Belfast or Larne would seem to be far superior given the UK commitment to not have checks on such flows.

Consequently, the impact on Holyhead will likely be a reduction in freight volumes over time, especially given both the time sensitive nature of the freight movements and the competition from other Irish Sea ports such as Liverpool. As the port is a major employer in Anglesey, the impact would be felt throughout the local community, and along the north Wales coast more widely.

Solutions

Despite the above, there are steps that can be taken to mitigate some of these potential impacts. Within the port itself, there may be the opportunity to reconfigure the layout to ensure that vehicles can flow through more effectively and, where backlogs may occur, allow space for trucks to park up and wait. For the wider supply chain, ensuring that all paperwork is done correctly and that drivers are fully briefed on what they need to carry with them will make a big difference. After all, the checks in themselves will only add very small amount of extra time and it will be those with the wrong paperwork that really cause major backlogs. But supply chains are complex and, given the 25 years of Single Market membership, many firms and individuals are unfamiliar with these requirements. Therefore, training and briefing sessions from across industry and government are required.

Here, the Withdrawal Agreement offers something that will help these preparations – time. With a transition period to the end of 2020 (and potentially longer), it will be possible to all organisations involved in cross-Irish Sea movements to plan how to change their processes with a degree of certainty as to what the future will look like.

The only uncertainty for now is whether the new Withdrawal Agreement can survive the current political environment.

This post represents the views of the author and not those of the Brexit blog, nor LSE.