

RoRo Customer Update – November 2021

Harwich International Port

RoRo Unaccompanied Cargo Levy

As one of the country's leading RoRo facilities, Harwich International Port is committed to offering a reliable and efficient service to all of its customers, through the provision of first class systems, operations and facilities.

As you will be aware, in June 2016 the United Kingdom (UK) voted to leave the European Union (EU) and on 31st December 2020, following the end of a transitional period, the UK left the Single Market and Customs Union, fundamentally changing our trading relationship with the EU. The next significant milestone takes place on 1st January 2022, from which point all cargo from the EU will require full import declarations and cannot be released until formally cleared by HM Customs.

As a consequence of these significant changes, the Port's RoRo operation has been impacted in a number of different ways and will continue to be so, as new requirements for systems, processes and documentation go live. Already, since January this year, the Port has experienced a significant increase in how long unaccompanied cargo is remaining on terminal. This increase in dwell time has led to congestion and reduced operational capacity, requiring additional housekeeping to maintain productivity.

In order for us to meet trade demand and growth, it is paramount we also provide enhanced infrastructure in the form of additional trailer bays to maintain the free flow of cargo within our facility.

To help fund the provision of these additional operational requirements, including infrastructure, we will be introducing a RoRo Unaccompanied Cargo Levy effective from 1st January 2022 to contribute towards the increased costs of handling unaccompanied RoRo cargo.

- the Levy will be £3.50 per unaccompanied import laden freight unit
- the charge will be levied to the customs declarant (clearing agent)
- the customs declarant will receive a rebate of 50p per levy paid to cover administrative costs

The continued investment in resources needed to meet the requirements of a new era in European trade for our customers and UK PLC is beneficial to all partners. The RoRo Unaccompanied Cargo Levy will help deliver these requirements faster, ensuring Harwich International remains a competitive choice for RoRo traffic.

We have attached a set of FAQ's to this customer update which we hope answer any questions you have relating to this charge, but if you have any that not covered, please submit them to enquiries@harwich.co.uk

Unaccompanied RoRo Cargo Levy – FAQ's

Why are you implementing the levy now?

Many businesses, including ourselves, had prepared for the new relationship with the EU to ensure we could maintain the free flow of good into and out of the UK. However, the reality of the changes required and the full impact this has had on the movement of goods has only become clear through 2021. Even now, much of the detail is still being implemented, so adapting to Brexit will be an ongoing process, still likely to take some time. We also wanted to understand the impact the changes would have on customer and consumer behaviour. Now, 9 months later, we better understand these changes and the costs involved. We also used the transition period to understand what future investment would be required to ensure we continue to offer a high level of service for our customers.

What will the levy cover?

The levy will contribute to the creation of additional capacity and increased running costs at the port. Since January 2021, we have witnessed changes in customer behaviour, most notably, how long import cargo remains on the terminal (cargo dwell time). Compared to pre-Brexit, we have seen import dwell increase by over 50%, causing congestion on the terminal. The Port has already invested significant sums to create additional space on the terminal as well as additional resource to ensure we keep the flow of cargo moving. From 1st January 2022 the Port must meet new Customs requirements to control imports from the EU and the levy will also help cover the additional housekeeping costs associated with maintaining efficient trailer parks.

How long will the levy be in place?

Some of the costs associated with leaving the EU will be ongoing, we also plan to fund significant infrastructure upgrades over the coming years. The timescale for recovery and cost beyond 2022 will be determined when those costs become more certain and we have reviewed the impact of full post-Brexit controls on the operation.

My cargo is cleared and moved with 24hrs, why do I have to pay the levy?

The improvements we are making will benefit all importers using the Port, as increased dwell time is only one contributing factor. We believe spreading the costs across all importers will have the least impact overall on the import costs.

How much is the levy?

The levy is £3.50 per import laden freight unit.

Who will be invoiced the levy?

This will be charged to the customs declarant. The declarant will receive a rebate of 50p per levy paid to cover administrative costs. Please ensure you, or your nominated agent, have an applicable badge code with Destin8.

What about groupage cargo?

For groupage cargo only the lead declarant in Destin8 will be charged.

Why are you implementing this charge on laden imports only?

The UK economy is driven by imports entering the country through our ports and it is predominantly changes associated with RoRo imports which are causing the requirement for additional storage, systems and processes.

Didn't the port receive government funding following the UK's departure from EU?

We received funding towards the building of facilities required to facilitate certain physical examinations of cargo by various statutory agencies. The funding did not cover additional storage capacity, systems or processes that are now needed as a result of Brexit.

What RoRo traffic will incur the levy?

The levy applies to unaccompanied import traffic only and will be charged to all laden freight units, which includes semi-trailers, containers on mafis, flat racks and trade vehicles (to include caravans and all other wheeled cargo). There will be no charge made for empty equipment being restituted in the UK.