



PORT OF
TILBURY
LONDON

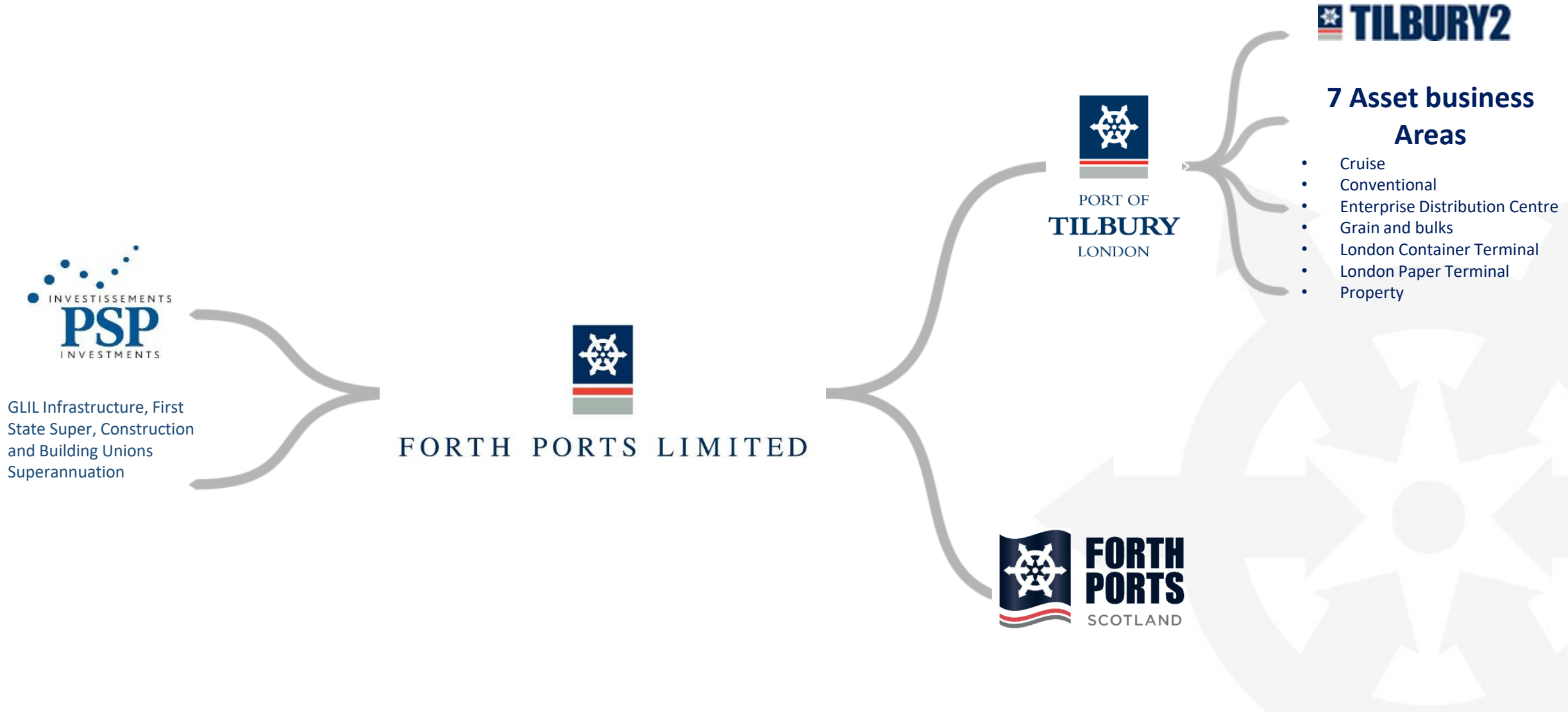
Brexit: border fluidity

Peter Ward, Commercial Director
January 2019



PORT OF
TILBURY
LONDON

Family Tree – third largest UK ports group



Sector specialisms



Perishables, Food, Drink



Project Cargo



Automotive



Forest Products



Grain



Infrastructure & Construction



Dry Bulks



Waste/Recyclables



RoRo



Cruise

Containers



Rail



Location... Location... Location...

- ❖ 70% of UK population within 120 miles
- ❖ 5 miles from the M25 orbital motorway network
- ❖ 27 million people live within a 3 hour radius by road



- 750,000 businesses based in the south east of England
- 60% of all inland waterborne freight in the UK is carried on the Thames
- Premier position in the south for timely short haul rail distribution
- 16 million people live within 75 miles via the rail network



Port of Tilbury London Limited

- UK's third largest ports group
- £1bn investment programme, 2012-20
- #1 UK port – forestry products, construction materials – and also paper, grain, recyclables
- Global and European container and ferry connections
- Authorised Economic Operator (AEO) status (customs, security, safety)
- Onsite examination services for customs clearance
- Crown Police Force
- Over 130 years of operation
- Over 1,000 acre site (including 152 acres at Tilbury2)
- 130 port businesses
- 10 km of quay space
- chilled and non-chilled warehousing
- 56 operational berths
- 31 independent working terminals
- 3 rail terminals
- Thames barge facilities



Tilbury2 – a new European focused port



Overview

- Extension of the existing port
- 152 acre site
- Ferry and CMAT terminals
- Deep water jetty
- New infrastructure corridor
- Rail terminal

Capacity 600,000 ro-ro units

1.6 million tonnes aggregates

Development Consent Order application submitted to Secretary of State Oct 2017

- by 20 February 2019 - SoS decision
- Q1 2020 - operational



Our Brexit messages

- “Maintain border as a tax point, rather than a check point”
- “EU-UK settlement must ensure goods flow and economies grow”
- “Non-EU is not new”

From China, Russia, South Korea, Belize, Costa Rica, Uruguay, Argentina, Brazil, Senegal, Morocco, Nigeria, Cameroon, Ghana, Kenya, Egypt, Tanzania to Australia



London's major port: “Brexit Ready”

- ✓ engagement with UK Border Planning Group, HMRC, DfT, DEFRA
 - ✓ roll out of the new Customs Declaration System (CDS)
 - ✓ additional Border Force personnel
 - ✓ maintain British membership of the Common Transit Convention
- **“Brexit ready” on day one of the UK's departure from the EU:**
- ✓ providing additional European-facing ferry and container capacity
 - ✓ multiple border agency facilities and up-to-date IT-backed processes
 - ✓ AEO trusted trader accredited status and customs warehousing (latter replicates free port advantages)
 - ✓ port community systems ready for and first-hand experience of non EU trade (currently 40%).



London's major port: “Brexit Ready”

EU exposure

- ✓ working with companies with EU-only trade to ensure they have access to the appropriate systems, are ready for new processes, have necessary storage and EDI-linked. Supported by our dedicated training academy

A site ready to flex on 29 March 2019 – our site assessment identified additional capacity:

- ✓ 300,000 unaccompanied ferry units
- ✓ 625,000 accompanied ferry units
- ✓ 80,000 short-sea container units
- ✓ 258,000 sq ft of storage space
- ✓ 30,000 pallets of chilled storage
- ✓ HGV/trailer parking spaces.



**UKBA Port / Wharf Approval
(Mandatory to operate as a port)**

**TEMPORARY STORAGE
(Required to operate as an international port)**

- Up to 90 day storage in port of import uncleared cargo
- Each Customs Declaration must be fully cleared or entered into alternative Customs regime within this period
- Duty & VAT, if applicable, paid on all cargo upon clearance
- Requirement for the Port to notify HMRC of any unclear goods after 90 days

(Needs to be applied for as part of Port Approval in order to handle Rest of World goods)

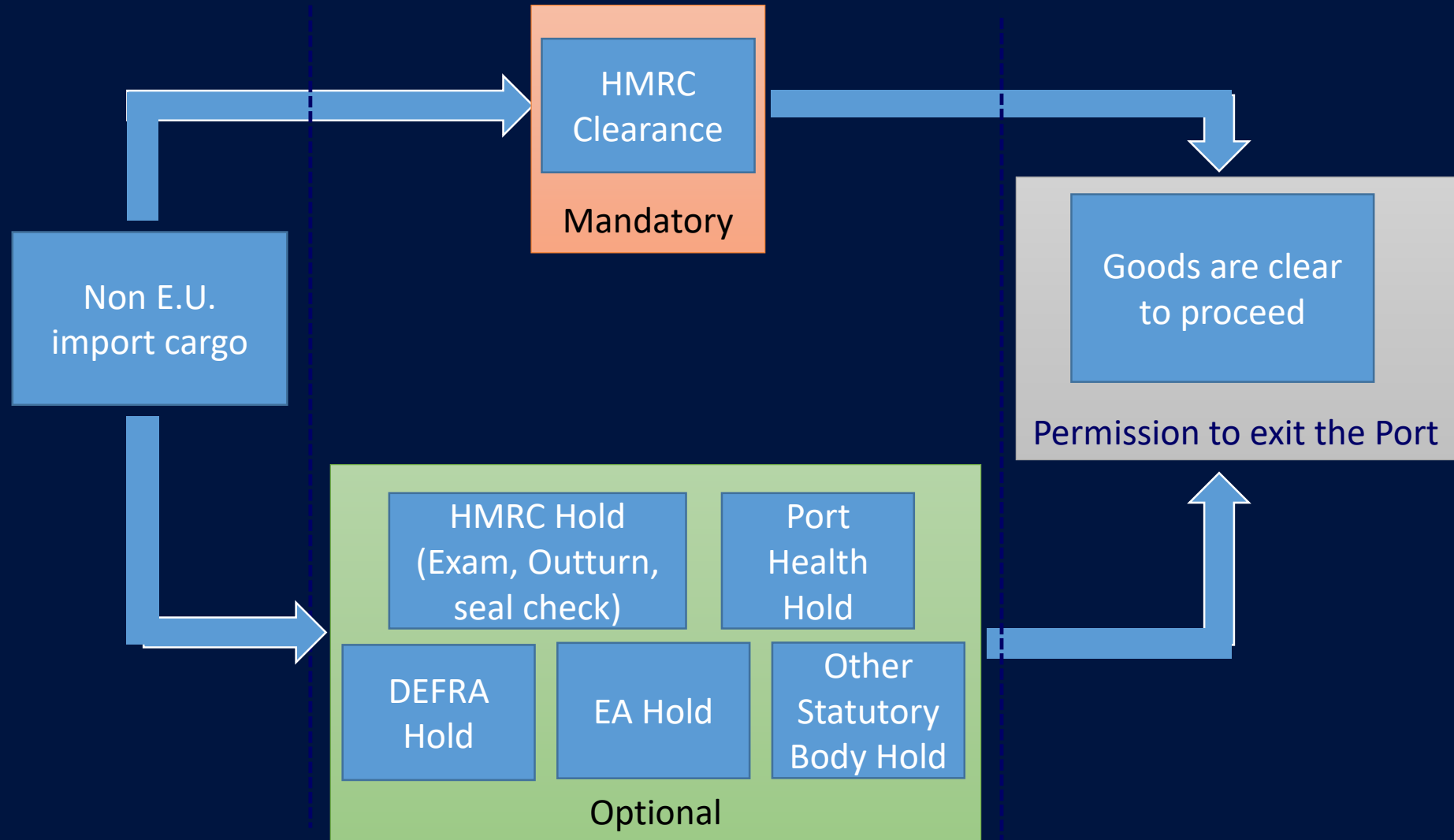
**CUSTOMS WAREHOUSE
(Optional approval not specifically for ports)**

- Indefinite storage period for approved cargo
- Overall cargo quantity is entered into the CW
- Removals are submitted for the cargo as it is delivered out
- Duty & VAT only paid on cargo as it is delivered out
 - Improves cash flow for customers
- Requires a separate approval by HMRC
 - Subject to regular audits

CUSTOMS COMPREHENSIVE GUARANTEE (CCG)

AEO APPROVAL

Imports: flow from Temporary Storage to Free Circulation



The 40%: non-EU trade flows

Sheet Materials

- 72% into Temporary Storage
- 7% duty applicable on cargo unless claimed during the coniferous plywood quota period
- Average 9 days before cargo is cleared into Free Circulation
- Excludes cargo that is stored under Customs Warehouse regime
- Inventory linking to CHIEF/CDS via Destin8 or CNS provides customs clearances

Timber

- 60% of cargo entered into Temporary Storage
- No duty applicable on the type of timber handled
- Average 2 days before cargo is cleared into free circulation
- Inventory linking to CHIEF/CDS via Destin8 provides customs clearances

Timber (LPT)

- 100% of cargo entered into Temporary Storage from Russia
- No duty applicable on the type of timber handled
- Average 2 days before cargo is cleared into free circulation
- Non-inventory linked, clearances done manually by the customer



The 40%: non-EU trade flows

Aggregates / Cement

- All aggregates and clinker are EU in origin
- Potential 1.7% duty applicable

Bricks

- All cargo is EU in origin
- As above, in Free Circulation, no port community system linkage
- Potential 1.7% duty applicable (N.B. indicative rate)

P&O: twice daily Zeebrugge service (containers, trailers)

- Predominantly EU cargo – small volumes of non EU cargo from Turkey
- Cargo is cleared on arrival via manual clearance process

Containers

- 19% of all non EU imports are entered into Temporary Storage
- Average of 2 days before the containers are cleared into Free Circulation
- Inventory linking to CHIEF/CDS via Destin8 or CNS provides customs clearances



Others ports in the Group

- **own and operate seven ports on the Forth and Tay: Grangemouth, Dundee, Leith, Rosyth, Methil, Burntisland, Kirkcaldy**
- ✓ AEO accreditation – Grangemouth, Leith, Rosyth – application submitted for Dundee
- ✓ network of container, ferry and bulk shipping connections
- ✓ connections to national motorway and rail networks
- ✓ delivering handling and logistic-related services, warehousing and storage facilities

Relevant cargoes

- Timber, rebar, steel pipes, steel reels, granite, sand, cement



“Brexit risks”

- Confidence – ports reflect economy – business, consumer, investor
- Flow – increased port dwell times hit productivity and return
- Storage – availability of chilled and non-chilled warehousing, storage space, marshalling areas
- Personnel – availability of skilled personnel who understand non-EU border requirements