

# There is no cliff edge

I have heard all too many interviews by a few senior business people and their lobby group representatives telling us leaving without a deal will be “disastrous, catastrophic, falling off a cliff”. They should know better. If they wish to be credible witnesses they should cast aside wild and emotional language, and spell out exactly what they fear will happen that they think will be damaging. All too few interviewers challenge them to be precise.

I have tried to see why they hold their general view. They nearly always say the same things, that leaving without a deal will get in the way of their complex supply chains, making it more difficult to import their components. I find this difficult to believe.

They nearly all confess that their current supply chains include a minority of components that come from outside the EU. If being outside the single market and customs union so disrupted trade with the rest of the world they would not have part of their just in time dependent on non EU supplies. If they can manage 10 components from outside the EU today they could manage 100 from outside the EU tomorrow. The WTO has worked hard on facilitation of trade to remove non tariff barriers.

The EU does impose some tariffs on some components that come in from outside the EU. The UK could offer tariff free components of all kinds once we have left and we can set our own tariff schedule. I suggest big manufacturers join me in pressing for this.

They suggest that there will be delays at the ports, especially at Dover-Calais, and these will disrupt Just In Time systems. I do not accept there need be additional delays, but if there was a regular increased time to transit the ports, you would just ask your supplier to allow for the longer journey time so the supplies still reached you when you wanted them. As they fit in Chinese supplies maybe taking 40 days to arrive by sea into current complex supply chains it shows that longer journey times are not deal breakers.

The main reason I do not expect new delays on imports is that the crucial importing port will be under UK control. There is no need for us to impose new processes and delays at the ports. We can adapt or continue the current system of checks away from the ports for any purposes we need. On the Dover-Calais route if more spot checks are needed on trucks then do them on the ferry or on the nearby train carrying the load through the Tunnel. There is plenty of competition to Dover-Calais Ro-Ro from containers, so in the unlikely event of difficulties at Calais there would other choices.

They sometimes say they will need more complete complex customs paperwork. This they say is an added cost, but not of course a delay as it is done usually before the lorry departs from the exporting factory. There will be little if any additional electronic paperwork in practise. All EU trade requires them to fill in a long and complex Intrastat declaration which

overlaps with customs information. Most industrial and retail purchasers these days require extensive product information, with specification, cost, test results etc. A computer programme can send the bits of this the authorities need at the UK/EU electronic borders.

I suggest to the media they will be more convincing if they stick to the facts. What exactly are they worried about, and why don't we just fix it in the four months that remains before we leave.

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