

What will the Election result mean for delivery and logistics companies?

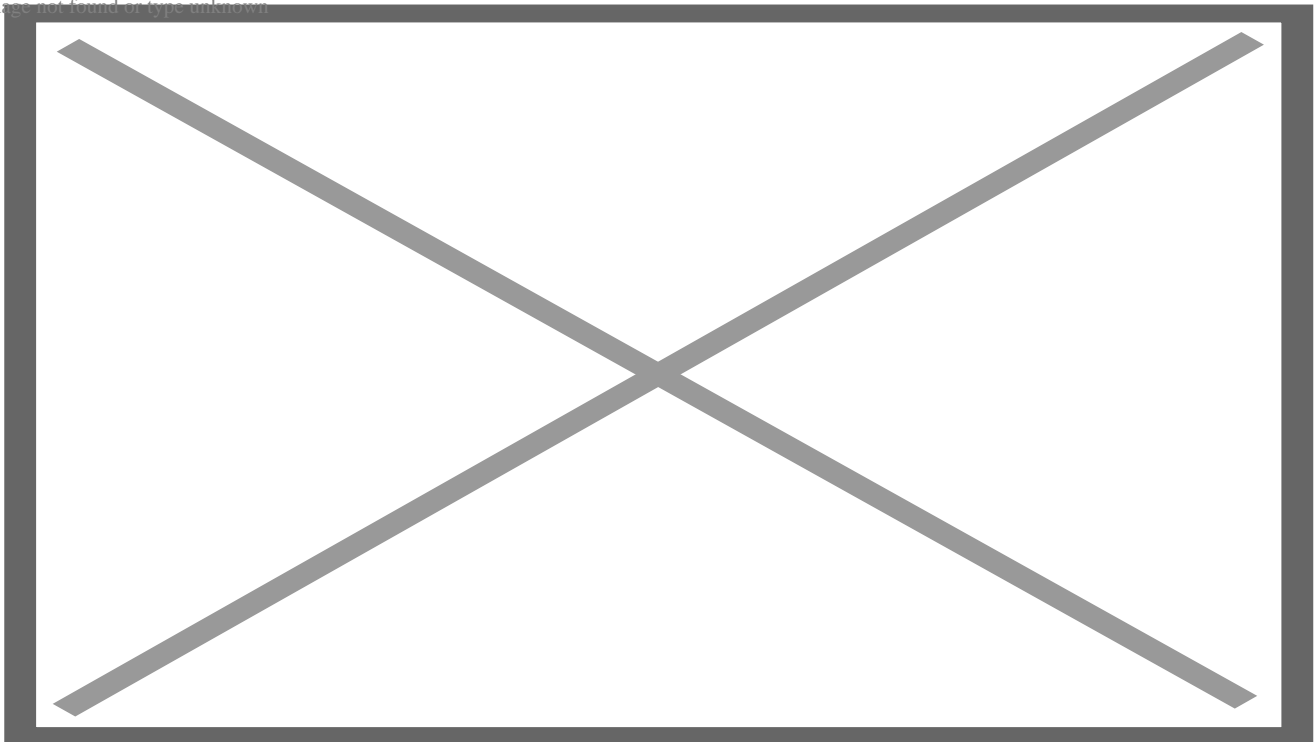
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The international parcel broker ParcelHero says the impact of the General Election on the freight transport sector will vary dramatically depending on which party wins.

Whoever takes the keys to number 10 on the morning of June 9th could have a significant impact on UK logistics and exports. With the gap in the polls seemingly narrowing, the online international parcel broker ParcelHero has been researching how the sector would fare under each of the main parties.

ParcelHero's Head of Consumer Research, David Jinks MILT, says: "Looking at each of the major parties' manifestos and election promises, **which party wins could have a major impact on the logistics and courier industries**".

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Conservatives:

ParcelHero has serious concerns over the potential impact of tariffs and Customs red tape following a hard Brexit. A strong win could strengthen Theresa May's hand in Brexit negotiations, both with Europe and within her own party, and help ensure Britain does not face new duties and border delays on goods at EU borders. Theresa

May emphasised our “deep and special partnership” with the EU when she called the election; however, the manifesto statement that ‘no deal is better than a bad deal’ is potentially alarming for UK transport companies and exporters. The Conservatives have also pledged to invest £40bn in transport infrastructure improvements, which would reduce congestion and costs for UK delivery companies. Finally, the Conservative’s pledge to expand Heathrow would be useful for the many international transport companies who have distribution centres and infrastructure based around the airport’s freight services.

Labour:

Labour says it will have a “strong emphasis” on staying in the single market and the Customs Union. Remaining in the Customs Union would be a good result for the freight transport sector, as it would mean no duties on UK items exported to the EU, and no border checks on parcels. Labour’s pledge to re-nationalise the Royal Mail would certainly shake up the UK domestic parcels market. Royal Mail produced reasonable annual results; but ParcelHero believes Royal Mail’s 3% parcels growth is not keeping up with an ecommerce delivery market growing at 19%. Whether returning Royal Mail to Government control would increase investment is a moot point, however. Labour’s pledge to include a new clean air act to legislate against diesel fumes would be good for the environment; but could initially have an impact on the freight sector, which largely relies on diesel trucks and vans to deliver goods and parcels economically.

Lib-Dems:

The Liberal-Democrats will hold a referendum on the final Brexit deal, with the option to remain in the EU. Their stated aim is to stay in the Single Market and Customs Union. This would eliminate the industry’s concerns over the impact of potential duties and taxes, not to mention long delays, at EU borders. However, the Lib Dem’s plan to extend ultra-low emission zones to 10 more towns and cities would have a potential impact on the freight sector, and particularly on local couriers within the chosen cities.

UKIP:

UKIP’s pledge to quit the EU Single Market and the Customs Union would impose considerable barriers and costs for transport companies at EU borders, and its plan to oppose Heathrow Airport expansion in favour of investment at regional airports would be a retrograde step for the many international couriers and transport countries with a Heathrow hub. However, UKIP’s pledge to remove tolls on UK roads could reduce costs on domestic deliveries, and its goal to finish the Brexit process by the end of 2019 would help exporters faced with a long period of uncertainty.

Green Party:

The Green's pledge to remain in the Single Market would be welcome by freight transport companies; while its plan to ensure EU environment law is enforceable in the UK would mean UK trucks would remain compliant with EU regulations, eliminating confusion. The party's plans to pass an Environment Protection Act would help encourage investment in green technologies for deliveries; but would impact on those companies without the budget to replace their diesel fleets. Its pledge to cancel HS2 would mean the planned opportunities to increase freight slots on the existing main lines, once many passenger services are transferred to the new route, would be lost.

SNP:

The Scottish Nationalist Party's pledge to invest in new roads would be welcomed by UK logistics operators; though its plan to drive down carbon emissions could penalise smaller transport companies who don't have the means to replace their diesel fleets. The SNP's pledge to protect Scotland's place in the EU would potentially mean Scottish goods would not be faced with duties and delays at EU borders; a very good result for Scottish exporters and hauliers at least.

Plaid Cymru:

Plaid Cymru's pledge to 'ensure Wales can continue to buy and sell to Europe without costly barriers' will be welcomed by Welsh exporters and transport companies fearful of increased border costs and delays. Additionally, its plans to introduce a fuel duty regulator, to stop rising fuel costs, would benefit transport operators at the mercy of sudden rises in fuel prices, and doubtless be welcomed by companies across the UK.

Concludes David: "It's understandable to think that Britain's parcel and freight industry will continue as normal, no matter which party wins the election. However, our analysis highlights some major differences in party policies that could have a significant impact on the sector. The UK's growing road freight market alone is a £27bn industry employing over 210,000 people, and it to be hoped that, whatever colour Government we have after June 8th, they will keep in mind the importance of our freight, parcels and export markets".

(by Kirsty Adams, *shdlogistics.com*)