European and External Relations Committee

The EU referendum and its implications for Scotland

Written submission from the Scottish Ports Committee

As facilitators of trade in and out of the country, the recent result of the referendum on EU membership is potentially hugely significant for the ports industry. The Scottish ports sector handled 72m tonnes of freight traffic in 2014, representing 15% of the UK total. Although the tonnage for Scotland has declined since the early 2000s, it is significant that this is mainly attributable to oil and oil related traffic, whereas at the same time there has been a corresponding rise in other traffic, particularly unitised (containers and ro-ro). This has shown a 50% growth since 2001 and it is unitised traffic, much of it bound for or coming in from ports in other EU member states, which could face new controls as a result of Brexit.

The Committee’s paper inviting evidence covers a range of strategic, political and economic issues. For example, as to the impact on the Scottish economy as a whole, we have noted the Scottish Government’s own recently published assessment in August which paints a very concerning picture of the effect on GDP, tax receipts and the possible impact on the Scottish Government’s budget. Anything that affects the health of the Scottish economy would immediately impact on ports, not only in terms of levels of trade and therefore port viability and profitability, but also on the capacity of the Scottish Government to fund public infrastructure, especially the road and rail networks linking to ports. The impacts could also have an effect on consumer spending and demand within the Scottish economy and these would also have consequences for Scotland’s port and logistics network. We also appreciate the wider implications of the referendum vote on the status of Scotland within the UK and we note that Scotland is also attempting to “secure a relationship for Scotland with the EU distinct from that of the UK”. Although these are issues beyond the scope of this submission, we will of course be following their development very closely and we hope to provide reaction from the ports industry on the implications of developing policies.

For the purposes of this response, however, we would like to make known to the Committee our immediate concern which is the possible recreation of border controls which have largely disappeared for internal EU traffic since the creation of the Single Market. As ports are the locations of these controls, the overall ability of Scotland to trade with EU member states without additional cost and delays should, in our view, be a priority. We appreciate that the UK government is still considering what its options are in relation to future trade arrangements. Whatever the outcome, and we have already issued a public statement on this, we urge that in future negotiations the current ease and rapidity with which trade goods pass through our ports are fully protected. In this connection, we are commissioning some work to look in detail at the implications for border controls of the UK’s possible withdrawal from current Single Market arrangements.