



INFOSHEET: BREXIT EFFECTS ON THE MARITIME TRANSPORT SECTOR

OVERVIEW

THE EU AND BRITISH BREXIT NEGOTIATORS AGREED IN MARCH ON A TRANSITIONAL PERIOD THAT WOULD EXTEND THE APPLICATION OF EU LAW AND KEEP EU ECONOMY IN THE SINGLE MARKET UNTIL THE END OF 2020. STILL, THE ISSUES AND QUESTIONS CONCERNING THE BREXIT IMPACT ON THE MARITIME SECTOR ARE MULTIPLE

26/03/2018



The impact of Brexit is by far the main challenge affecting the British economy in the next decade and it will become an issue for EU companies trading and operating in the United Kingdom. The consequences are multiple and depend on the type of agreement the EU and the UK are capable of striking. The business representatives from both sides of the Channel have been for long demanding an agreement on a transition period. This would increase the legal security and limit the disruptive impact Brexit would have on the supply chains or the labour market.

The British and the EU negotiations reached a compromise on the implementation of a transitional period that would be in force since Brexit date 30 March 2019 to the end of 2020. The implementation of this transitional period would depend on the conclusion of a final withdrawal treaty, which is not foreseen to take place before Autumn 2018.

The main aspects of the agreement are the following:

- EU citizens arriving in the during this period will enjoy the same rights and guarantees as those who arrive before Brexit. The same will apply to UK immigrants in the EU.
- The UK will be able to negotiate, sign and ratify its own trade deals during the transition period and he will still be party to existing EU trade deals with other countries
- Northern Ireland will effectively stay in parts of the single market and the customs union in the absence of other solutions to avoid a hard border with the Republic of Ireland.
- The European Court of Justice will have jurisdiction over matters relating to EU law during the transition period.

Concerning the maritime sector, its representatives have been requesting the EU authorities to limit the impact of Brexit in the sector by granting legal certainty. Following these demands, the EU Commission published two **notes** clarifying the effects of Brexit in the field of maritime transport. Among other issues, these documents describe the regulatory consequences on the non-discriminatory treatment of nationals and companies working on intra-union shipping services, the recognition of maritime organisation (inspecting, surveying and certificating ships), port state control inspection and the **recognition of seafarers certificates**.

Nevertheless, all these measures depend on the conclusion of a withdrawal agreement and the provisions that it would contain. Taking into account the current the British government's position, this Brexit agreement would be similar to the free trade agreement with Canada. This would allow London to conduct its own and independent trade policy, regain exclusive competences on immigration and breaking away from the European Court of Justice jurisdiction but this solution would not guarantee friction less trade. This kind of agreement would imply a big increase in bureaucratic burdens for British and European companies (custom or sanitary declarations, work permits, etc.), the imposition of tariffs or quotas in some sectors and the possible discrimination of British companies from the EU market as they could be regarded as third country firms. And all these possible outcomes depend on the final position that Ireland or Spain may take regarding the Northern Irish border and the status of Gibraltar.

If you wish to obtain more information on this issue contact the **ETA Secretariat**

