

European hauliers are looking to expand – despite Brexit and regulatory red tape

May 2021

More than a third of European road transport businesses are thinking about expanding their operations into other countries, with the UK leading the list, according to our survey.



The survey found that despite the challenges of the last year – new regulations, the impact of Brexit and business disruption caused by COVID-19 – transport companies polled in Ireland, Spain, Italy, Germany and Poland are positively looking ahead to expansion.

38% of haulage decision makers who transport goods to the UK said their company is currently considering relocating or establishing new bases in the UK. The UK was closely followed by Italy (31%), Germany (30%), Poland (30%) and Spain (26%) as other destinations where haulage companies were considering launching or expanding operations.

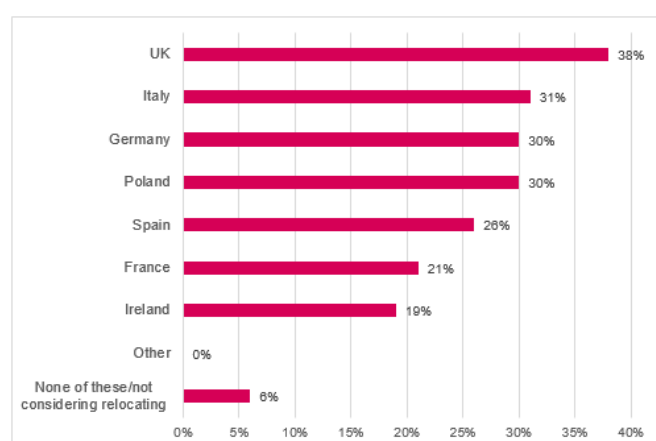


Diagram 1: Are you currently considering relocating or establishing new bases in any of the following countries?

While the desire to expand into other European countries may be partly driven by opportunity, some companies are being forced to reconsider their business models due to changes to rules relating to weekly rest entitlement for drivers.

The survey indicated that most international road transport businesses are having to make changes to their operations to deal with the changes to EU Drivers' Hours' regulations.

New EU regulations mean that operators will have to organise the workloads of international drivers to

ensure they return home more regularly. No longer can an international driver spend weeks away from home. The survey finds that 63% said they will arrange transport home to base for international drivers, while 36% of those surveyed said they will look to establish one or more additional bases with a view to drivers completing shorter legs of international journeys as a result.

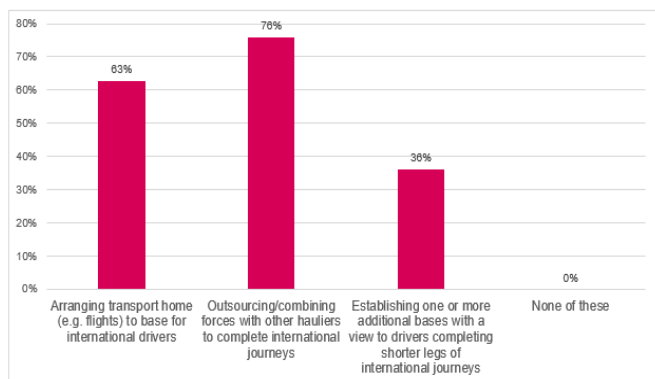


Diagram 2: If the regulation changes will require you to adapt your operations, which of these outcomes are likely for your business following the regulation changes?

“It is positive to see a strong appetite to expand into the UK logistics market”

Vikki Woodfine
Partner and Head of Road Transport and Logistics, DWF

Vikki Woodfine, partner and Head of Road Transport and Logistics at DWF, said: "Our survey clearly shows that European road transport decision makers are gearing up for expansion and change.

There has been a period of consolidation and change in the market in this turbulent year, and as things settle down, opportunities from the reshuffle of the market emerge.

It is positive to see a strong appetite to expand into the UK logistics market, despite Brexit and border concerns this year. Some of this will be driven by the opportunities arising from a post Covid/post Brexit market, others are driven by the need to react to EU Regulation changes requiring drivers to return home more regularly."

Despite optimism of some companies, some perceived barriers to the market remain. The survey found that Brexit and lack of free movement within the EU was a concern for 39%, while 42% of haulage companies consider the complexity of regulation involved in setting up operations in the UK to be a barrier to establishing a base here.

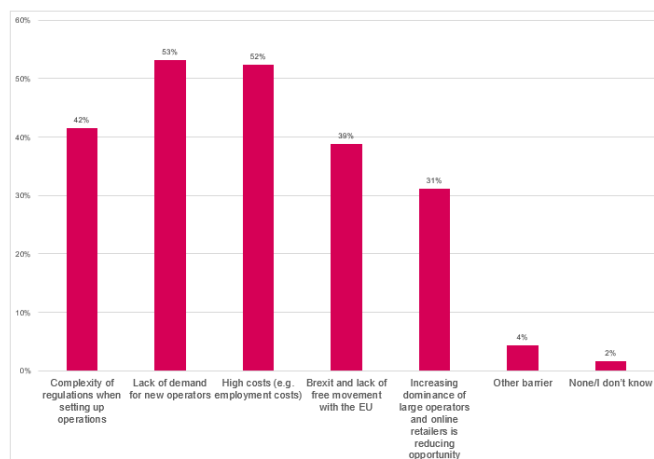


Diagram 3: What do you consider are the biggest barriers to transport businesses in establishing a base in the UK in the longer term?

Our road transport and logistics team provides a breadth of legal services for heavy goods vehicle operators across the world.

