

Business

British hauliers fear bumps in the road as Brexit looms

Situation prompts companies to stockpile on both sides of the border

CHOBHAM, United Kingdom: “It’s an absolute mess,” said Terry Goodwin, whose haulage company is one of many British businesses racing against time to prepare for Brexit.

Goodwin feels bitter about all the work needed to prepare for the “D-day” when Britain leaves the EU single market, as his company, Conference Haul International, is only just beginning to recover from the impact of the coronavirus pandemic. At its headquarters in Chobham, southwest of London, rows of yellow HGVs (heavy goods vehicles) are standing idle—a visible sign of the economic slowdown due to the pandemic and of the uncertain future for companies on both sides of the Channel.

“I feel sick in the stomach,” said Goodwin, who is managing director of the firm, which specializes in transporting conference equipment and usually has lorries criss-crossing Europe. Two weeks before the end of the Brexit transition period, in which EU rules still apply while both sides thrash out terms of their new relationship, the company has an “overload of problems”, he told AFP. “In the meantime we’re trying to prepare for Brexit, what paperwork we will need to go to Europe.”

One thing is sure: hauliers know that whatever the result of negotiations on post-Brexit relations, they will face a lot of red tape. The situation has encouraged companies to stockpile

on both sides of the border, particularly those involved in industrial and food production.

Inevitably this caused long tailbacks in the area around the Channel port of Dover, with lorries crawling along at walking pace for miles (kilometers). Knowing the situation could get worse on January 1, the government is building huge lorry parks in southeast England, and will even introduce an access permit for heavy goods vehicles wanting to enter Kent, where Dover is located.

“Deal or not, a customs border that functions effectively for road freight is IMPOSSIBLE to deliver by 1.1.21. UK processes way behind, EU businesses nowhere near ready too”, Duncan Buchanan, policy director of the Road Haulage Association, warned on Twitter at the weekend.

Across the Channel in Calais, France has recruited dozens of customs officers and invested in infrastructure and a “smart border” system. Lorries departing Britain will show a barcode in Dover that French customs will immediately receive and use to place them into the right line on arrival.

“Keeping things fluid was our main concern, due to the nature of this border: firstly the volumes handled... secondly because of the short crossing time, and finally because there are no shipping containers here,” said Benoit Rochet, general manager of the port of Calais.



Trucks queue on the A20 road to enter the Port of Dover to board ferries to Europe, in Dover, Britain in this file photo.

So much paperwork

Yet British companies reliant on haulage firms are also breaking out into a cold sweat as the final date looms. “My biggest fear is tariffs”, to be put in place in case of ‘no deal’, said Michael Allen, whose company MJ Allen is based in Kent and supplies auto components to Europe.

“You can’t prepare for what you don’t know”, he said, raising the prospect of opening warehouses in Europe and foreseeing an inevitable

drop in economic activity involving the bloc.

For now, haulage companies are trying to familiarize themselves with the intricate rules of Brexit, set to end nearly 50 years of unrestricted travel to and from the continent. They are having to relearn skills: dealing with paperwork, filling in a customs declaration in advance, acquiring the right software, requesting an international HGV license and being ready for border controls to stop every lorry. — AFP

Bitcoin’s rollercoaster ride

PARIS: Virtual currency bitcoin—which broke the \$20,000 barrier in trading for the first time Wednesday—morphed from an academic paper to one of the world’s most closely-watched crypto currencies. Here is a look at its tumultuous rise, fall and rise again.

Mysterious beginnings

As the world reels from the 2008 financial crash, a nine-page paper called “Bitcoin: A Peer-to-Peer Electronic Cash System” is published on October 31 by someone called Satoshi Nakamoto. The mysterious Nakamoto—whose real identity still remains a mystery—proposes creating a system where payments can be sent “directly from one party to another without going through a financial institution”. It is a master plan for an alternative to currency not controlled by any central bank and that could be accessed by anyone.

‘Genesis block’

The first 50 bitcoins were born on January 3, 2009. These were bunched into a single unit called a block, the first of which was called the “genesis block”. From then on, every new block was attached to the one that came before it, creating what is today commonly known as a block chain. The first transaction between two accounts occurred nine days later, when Satoshi Nakamoto sent 10 bitcoins to computer scientist Hal Finney as a test.

0.00076 dollars

Bitcoin’s first value was deduced on October 5, 2009 from its cost of production — .076 US cents. At the time, the best way to get bitcoins was to “mine” them by using computers to solve difficult puzzles that release bitcoins from a block.

The electricity costs were offset by bitcoin’s real-world value.



ISTANBUL: People pass in front of a crypto currency “Bitcoin Change” shop near the Grand Bazaar yesterday. — AFP

The puzzles get more difficult with the rise in the number of users, making their mining progressively more expensive.

The \$100 million pizza

On May 22, 2010, a virtual currency developer in Florida got a delivery man to accept 10,000 bitcoins for two pizzas. It was the first known bitcoin payment, worth about \$41 at the time. Those bitcoins are now worth in excess of \$200 million. May 22 is now known as “Bitcoin Pizza Day”.

Nakamoto vanishes

Nakamoto announced his withdrawal from the project on December 12, 2010, ceasing all bitcoin operations four months later. The identity and number of bitcoins owned by Nakamoto remains a mystery. — AFP

Shareholders back Norwegian Air rescue plan

OSLAO: Shareholders of struggling low-cost airline Norwegian Air Shuttle yesterday backed a rescue plan that includes debt conversion, a new share issue and reduction of the fleet.

Hit hard by the COVID-19 pandemic’s impact on travel, having already been in financial trouble before, Norwegian recently applied for bankruptcy protection in both Ireland and Norway, in order to buy time to work out a solution with its creditors. In early December, the company’s management presented a plan to stay afloat involving a large-scale conversion of debt into equity, a new rights issue to raise up to four billion Norwegian kroner (\$466 million, 381 million euros), and the selling of an unspecified number of aircraft.

During an extraordinary general meeting yesterday, shareholders overwhelmingly agreed to back the plan, granting management the mandate to begin negotiations with creditors. The company, a pioneer in the low-cost long haul sector, has been in the red since 2017 and its debt amounted to 48.5 billion kroner at the end of September, in part the result of a major expansion by the company.

Just six of the 140 aircraft it had in service at the start of the year are still flying, on Norwegian domestic routes, while only 600 employees among a formerly 10,000-strong payroll are still at work. Shares in Norwegian were up over 10 percent after lunch on the Oslo Stock Exchange, though over the past year, they have lost 98 percent of their value. — AFP