France's northern ports fight to stop hard Brexit

Hauts-de-France region has much to lose in the event of a disorderly UK exit from EU



Authorities in the northern French ports are urging President Emmanuel Macron to breaks ranks with Brussels over Brexit and defend France's interests © FT montage; Leo Novel

Save

Anne-Sylvaine Chassany in Dunkirk JANUARY 2, 2018

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As the man in charge of the French region nearest the British coast, Xavier Bertrand says he will not watch quietly as the UK negotiates its way out of the EU.

The president of the northern Hauts-de-France region has much to lose if talks go awry and lead to a hard <u>Brexit</u>. His constituency comprises Calais, Boulogne-sur-Mer and Dunkirk, respectively France's largest passenger port, its biggest fishing port and number three cargo hub.

Now, with the financial settlement between the EU and UK secured and talks set to move on to trade, Mr Bertrand is urging President Emmanuel Macron to break ranks with Brussels and defend France's interests.

Much of the debate on the economic impact of Brexit has focused on the adverse effects it will have on the UK. But the fear in Hauts-de-France is that Brexit could have a similarly negative effect on its economy by disrupting trade with the UK, threatening a fragile recovery in a region where de-industrialisation has fuelled a rise in support for the far-right National Front.

"I am pushing the government... The divorce is settled, we must go full steam ahead" to influence the trade negotiations, says Mr Bertrand, a former centre-right labour minister. "Let's not be naive. I don't want my region to be outpaced by others."

Mr Bertrand's call for <u>France</u> to prioritise its own interests underlines one of the biggest challenges facing the EU as it prepares for Brexit: keeping the unity of the 27 member states as chief negotiator Michel Barnier negotiates a deal to serve the interests of the bloc as a whole.

Mr Macron, who advocates a united European front in Brexit negotiations, has insisted France will stand behind Mr Barnier's plans until the UK formally leaves the bloc next year.



A British shopper loads a car with French goods to take back to the UK. The fear in Hauts-de-France is that Brexit could disrupt cross-Channel trade © Alamy

But that has not stopped Mr Bertrand from pushing his case or from establishing contacts with UK government officials as he seeks a softer Brexit. He already crosses the Channel once a month for meetings in the port of Dover or London.

"We shouldn't seek to punish the British" over Brexit, he insists. "I don't want post-Brexit decisions that hurt cross-border regions." If anything, Mr Bertrand wants to unearth opportunities from Brexit by luring business from the UK. "The idea is not to lose out but also to gain from it."

His lobbying efforts were given a boost recently when he was asked by the Elysée Palace to draw up a list of Brexit-related grievances ahead of the Franco-British summit between Mr Macron and Theresa May, Britain's prime minister, on January 18.

EU heads of state allowed Mr Barnier to move into "phase two" last month after securing a strong enough commitment from Mrs May on the financial terms of the divorce, the rights of European citizens residing in the UK and the Irish border.

Mr Barnier will now be able to engage in "exploratory" trade talks with Mrs May's cabinet before receiving formal, more detailed guidelines in March. This will give time for the UK government to formulate its demands.

But in the interim, EU member states could be tempted to push their own agenda to try to shape a deal suiting their economic interests or domestic politics — in turn giving Mrs May more leverage in the talks.

"Even though unity has paid off in the first phase, it will be harder to maintain," says Enrico Letta, head of Institut Delors, a pro-EU think-tank, and a former Italian prime minister. "We've reaching a point where the negotiations can no longer be kept in the sole hands of the commission experts. It's a game with more players from now on."



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Mr Bertrand wants the UK to allow Boulogne fishermen access to UK waters, which they rely on for the bulk of their catch. Another pressing issue is customs control: a two-minute truck inspection is estimated to generate 27-minute traffic jams on each side of the Channel.

He worries that cargo traffic could be diverted from Dover to more conveniently located British ports, which in turn could benefit the larger ports of Antwerp and Rotterdam, at the expense of Dunkirk.

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plunging the docks adjacent to the town into decline. Then in 2010, after striving to reinvent itself as an energy hub, oil company Total shut down two refineries.

Dunkirk, where the National Front's Marine Le Pen attracted 45 per cent of the vote in the

presidential run-off against Mr Macron in May, has since sought to diversify. It is betting on a planned €700m upgrade of its facilities to attract bigger cargos.

Stephane Raison, head of Dunkirk's port authority, also says Brexit is likely to have a negative impact but says he is unable to estimate its full extent.

"We're in the dark," Mr Raison says. "We are trying to anticipate. What we want is to keep traffic as fluid as possible."



Stephane Raison, head of Dunkirk's port authority, says the impact of Brexit on the facility is still unclear © Leo Novel/FT

But it is clear that Dunkirk relies on trade with Dover: steel from eastern Europe is shipped to UK car plants and sand from the Thames is imported for the French cement market. Any slowdown in traffic would necessarily mean higher costs and lower margins.

Others wonder what Brexit will mean for the so-called Le Touquet Agreement, which allows Britain to carry out border controls and keep unwanted migrants on the French side of the Channel.

"More trucks sitting in a parking lot means more migrants trying to cross the Channel," warns Sébastien Douvry, head of operations for ferry company DFDS, who worries that the Touquet deal could now be revised even though it is bilateral.

Mr Bertrand, meanwhile, is urging the softest Brexit possible, with or without the help of France's government. "I'm going to outline all the scenarios . . . so the most commonsense one is chosen," he says. "I need to pre-empt the debate."