

Extension of Cabotage Rights Consultation

Questions (for users of haulage services)

Q1: Which sectors do you operate in (general, food, energy, port services etc)?

Music. UK Music is the collective voice of the United Kingdom's (UK) world-leading music industry. UK Music represents all sectors of the music industry – bringing them together to collaborate, campaign and champion music. UK Music promotes the music industry as a key national asset to all levels of Government and publishes research on the economic and social value of music.

Music is a key national asset for the UK economy, even after the losses of 2020 it employs more people than the steel and fisheries industries combined: 128,000 versus 45,000. Pre-pandemic it also consistently showed above average growth; in 2019, export value grew 9% for the sector (compared to 5% for the UK as a whole), it was also worth £5.8 billion in GVA and employed almost 200,000 people. 4 of the top 10 grossing tours of 2019 globally were headlined by UK artists.

Resolving issues around road haulage and ensuring the easy flow of specialist hauliers between the UK and European Union (EU), while ensuring there are enough vehicles for the UK music industry's domestic use is vital to the long-term economic health of the UK music sector.

Q2: Over the past 12 months have you encountered any difficulties in accessing drivers in the haulage sector to serve your business?

Businesses in the music sector have noted that due to the COVID-19 pandemic the demand for specialist event hauliers has been relatively low over the last 24 months as the UK and the broader European live music market has effectively been in hibernation (the UK music sector as a whole has lost 46% of GVA and 35% of employees). But this is coming to an end.

Summer 2022 will be the first full season with relatively few COVID-19 restrictions for live music performance in the UK and rest of Europe and will therefore be the first test of how the event haulage sector will cope after the changes caused by the Trade and Co-operation Agreement between the UK and the EU post-Brexit. The industry is acutely concerned that due the large movements of event hauliers both from the UK to Europe and out of the industry the sector will face an acute shortage of event haulier vehicles in the UK this summer that will severely impact the sector recovery without mitigative action.

Q3: To what extent has this affected the normal operation of your business?

Not much for most of those 12 months, but increasingly so.

Q3A How has your business been affected?

We are receiving concerns from the industry that there are increasing difficulties in securing drivers and vehicles for tours due in summer 2022. There are concerns that the total number of specialist drivers and event hauliers across the EU is already insufficient and that the movement of trucks from the UK to the EU will leave too few event hauliers for peak periods in the UK without greater flexibility between the UK flagged and EU flagged specialist event haulier fleets.

This will lead to tours, gigs and festivals in the UK being cancelled if they cannot secure the required specialist event hauliers, acting as a drag on future growth and potentially causing already fragile supply chain businesses to enter bankruptcy.

Q4: Prior to 28 October 2021, which type of hauliers did your company rely on? (a) UK based only, (b) mix of UK and foreign hauliers, (c) foreign hauliers only, (d) don't know

Mix of UK and foreign hauliers.

Q5: How has your use of foreign hauliers changed since 28 October 2021? (a) more (b) less (c) the same

More.

Q6: If your use of foreign hauliers has changed, what were the main reasons for the change?

As UK flagged hauliers cannot conduct more than three stops, or one stop and two cabotage movements in the EU, it is now mostly uneconomical for them to be used to support UK music performers in the EU. Furthermore, many orchestras that previously operated under the Own Account Exemption to use their own vehicles to tour the EU now cannot do so and are paying up to £20,000 for replacement EU flagged vehicles.

Previously the UK was at the centre of the European event haulier industry, however with the TCA and application of EU cabotage limits on UK flagged vehicles this position is now under threat. According to evidence we have received from the industry to allow UK music acts to continue touring the EU (and with encouragement of the UK Government) many UK flagged trucks have moved from the UK to the EU (particularly to the Republic of Ireland and the Kingdom of the Netherlands. This has presented a partial fix to some of the questions around movement of supporting touring in the EU.

However, this shift means the UK domestic event haulier market may now be underserved, particularly at peak weekends in the summer with major festivals e.g. Glastonbury.

General questions (for all)

Q14: Should extra cabotage rights (a) be allowed to expire on 30 April (b) continue beyond 30 April (c) be allowed to expire on 30 April but reintroduced for the pre-Christmas period (d) other?

d) other

The extra cabotage rights should be allowed to expire but a plan should be put in place to reintroduce them for specialist event hauliers on peak weekends.

Q15: Why do you hold this view?

The live music sector urgently needs a solution to the coming period of high demand for specialist event hauliers. We note the UK Government's Dual Registration proposals and we support them with reservations. But, the timeframe for implementation of that for is August 2022 which would be far too late to support the domestic UK event haulier sector for the summer season.

This time issue also applies to the Government goal to get more hauliers and haulage drivers into the sector. Event hauliers are highly skilled and their trucks often need to be specialised vehicles to transport highly sensitive kit and equipment. Therefore, there will not be time to get the required number of event hauliers into the sector to cover the coming peak in activity.

Therefore, if we cannot increase the number of vehicles and drivers what we can do is provide easier access to EU flagged hauliers to provide temporary cover for these demand peaks. This requires the easing of cabotage rules for specialist event hauliers for discreet periods.

This would be a relatively small number of trucks, but it would make a big difference to the industry.

Q16: Any other general comments you would like to share?

We have repeatedly warned elsewhere that the transfer of trucks to the EU will in the long term have negative consequences for the UK based live sector, and it will undermine the UK's currently hegemonic position in the events haulage sector in Europe. Extending cabotage easements will smooth some of the consequences of that shift for the industry but that will only make the shift more likely.

It will disincentivise non-European major tours from using the UK as a base for their European tours, as it will be easier for them to use European trucks in the UK than

vice versa. In the long term we may also see a shift in where equipment and technical skills are based, as it is useful to locate them close to where the lorries are based, therefore we may see the loss of work and opportunities in particular to the Netherlands and the Republic of Ireland.

Annex

UK Music's membership comprises: -

- AIM – The Association of Independent Music – AIM – The Association of Independent Music – the trade body for the independent music community, representing 1000+ independent record labels and associated businesses, from globally recognised brands to the next generation of British music entrepreneurs.
- BPI - the trade body of the recorded music industry representing 3 major record labels and over 400 independent record labels.
- FAC – The Featured Artists Coalition is the UK trade body representing the specific rights and interests of music artists. A not-for-profit organisation, they represent a diverse, global membership of creators at all stages of their careers and provide a strong, collective voice for artists.
- The Ivors Academy - The Ivors Academy is an independent association representing professional songwriters and composers. As champions of music creators for over 70 years, the organisation works to support, protect and celebrate music creators including its internationally respected Ivors Awards.
- MMF – Music Managers Forum - representing over 1000 UK managers of artists, songwriters and producers across the music industry with global businesses.
- MPG - Music Producers Guild - representing and promoting the interests of all those involved in the production of recorded music – including music studios, producers, engineers, mixers, remixers, programmers and mastering engineers.
- MPA - Music Publishers Association - with 260 major and independent music publishers in membership, representing close to 4,000 catalogues across all genres of music.
- Musicians' Union - Representing over 32,000 musicians from all genres, both featured and non-featured.
- PPL is the music licensing company which works on behalf of over 110,000 record companies and performers to license recorded music played in public (at pubs, nightclubs, restaurants, shops, offices and many other business types) and broadcast (TV and radio) in the UK. PPL also collects royalties for members when their recorded music is played around the world through a network of international agreements with other collective management organisations (CMOs).
- PRS for Music is responsible for the collective licensing of rights in the musical works of 150,000 composers, songwriters and publishers and an international repertoire of 28 million songs.
- UK Music also has an informal association with LIVE (Live music Industry Venues & Entertainment), the voice of the UK's live music and entertainment business. LIVE members are a federation of 13 live music industry associations representing 3,150 businesses, over 4,000 artists and 2,000 backstage workers.