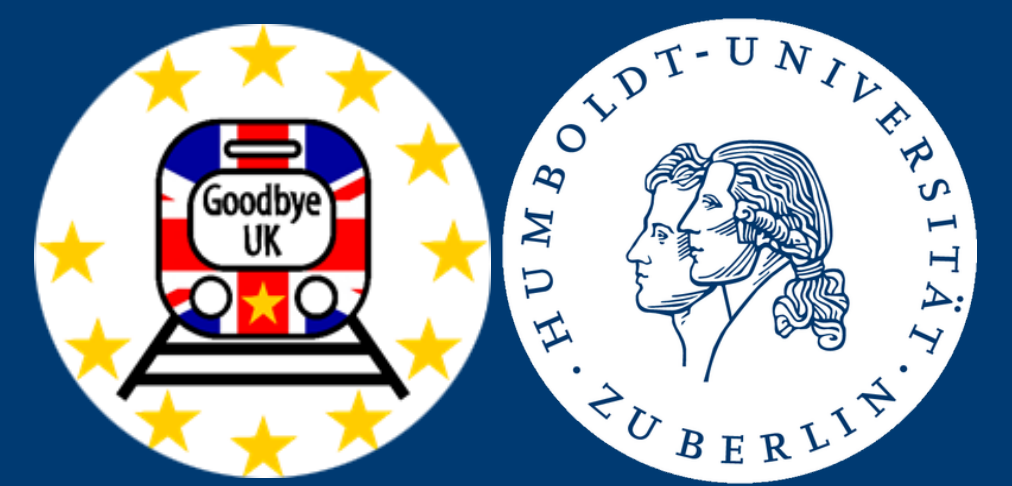


The Impact of Brexit to Eurostar™

By Ricker So



Eurostar™ is a UK-headquartered railway company that operates international cross-border passenger services between the U.K. and mainland Europe. Currently, there are services between the U.K., Belgium and France. The Netherlands will soon be served as well. In the following poster, you will find out the impact of Brexit on the operation of Eurostar™.



'No.

There are no benefits of growth opportunity that we could identify from leaving the EU.'
(Nicolas Petrovic, Chief Executive of Eurostar International Ltd.)

November 2016, U.K. Parliament (EU Internal Sub-committee Meeting)

Rights to Work and Rights to Remain

- Free movement of workers is particularly crucial for Eurostar because of its operations in different countries in Europe.
- Approximately 40% of its workforce in the U.K. is non-UK citizens.
- Not only does Eurostar need its employees to be mobile to provide support and maintenance for the company in different countries, it also relies on the competitive international marketplace under the European Union.
- Eurostar also relies on its colleagues with appropriate language skills (English, French and Dutch) on board their services and at customer service centres to communicate effectively with their customers.

The Continuity of 'Juxtaposed' Controls?

- 'Juxtaposed' control is an arrangement between the U.K., France and Belgium whereby immigration checks on certain cross-Channel routes take place before boarding the train or ferry, instead of upon arrival after disembarkation.
- Brexit might alter the 'juxtaposed' control operations on Eurostar service.
- The journey time is expected to be increased by 40 minutes each way if the 'juxtaposed' controls are removed followed by replacing them with 'on arrival' controls. It certainly lowers the competitiveness and attractiveness of Eurostar service to their customers, especially time-sensitive business travellers. Additionally, it takes time and other resources to remodel the use of space in those stations to process the U.K. and EU citizens separately.



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A Foreseeable Drop in Demand for Eurostar Service

- Approximately 50% of Eurostar's customers are business travellers engaging in business between the U.K. and continental Europe.
- Barriers to trade and uncertainty as to the risk of future barriers might lead to a drop in demand for running business between the UK and mainland Europe. Hence, it might have serious impact on the demand for Eurostar service.

Regulatory Divergence

- It would lead to significant cost, uncertainty and complexity for Eurostar, if divergence of rules and regulations between the U.K. and EU were to happen after Brexit. A series of problems arise from it.
- Under the fourth railway package, Eurostar is required to obtain a single safety certificate for the entire operation. However, if the U.K. were to adopt a new system and regulation due to Brexit, Eurostar would face not only uncertainty on the compatibility of the rules and regulations among the U.K. and EU, but also the additional costs incurred.
- Would train drivers be required to obtain more than one licence in order to operate the trains between the U.K. and EU?
- Would Eurostar be able to continue to benefit from the Directive on the single European railway area in the same way as an operator in an EU member state or a foreign operator?



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