Brexit driver crisis leaves Coca-Cola with aluminium cans shortage

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Coca-Cola is having to deal with a shortage of aluminium cans as a result of the UK driver shortage.

Coca-Cola Europacific Partners (CCEP) told the PA news agency that it has faced "a number of logistics challenges" recently, including pressure on <u>HGV driver numbers</u>, but said it has continued to deliver "extremely high service levels".

In particular the Coca-Cola bottling business for the UK and Europe has said its <u>supply chain has come under pressure</u> from a "shortage of aluminium cans".

Social media users have highlighted a scarcity of Diet Coke and Coke Zero products in recent weeks.

According to the Coke website, Coca-Cola Europacific Partners has manufacturing sites in Morpeth, in Northumberland, East Kilbride, as well as Wakefield, Edmonton and Sidcup, a logistics site in Nottingham, and a cold drinks operation in Milton Keynes. Its head office is in Uxbridge.

Nik Jhangiani, chief financial officer of CCEP, said: "Supply chain management has become the most important aspect

following the pandemic, to ensure we have continuity for customers.

"We are very happy with how we have performed in the circumstances, with service levels higher than a lot of our market competitors.

"There are still logistical challenges and issues though, as with every sector, and the shortage of aluminium cans is a key one for us now, but we are working with customers to successfully manage this."

Bottled drinks supplies across UK retail have also been particularly impacted by HGV driver shortages in recent weeks, with McDonalds unable to stock bottled soft drinks recently across some stores.

However, CCEP said it has seen a "limited" impact in this area after finding solutions to these logistics challenges.

The company said pre-tax profits almost doubled to 520 million euros (£466.7 million) for the period to July 2, and revenues jumped by 22.5 per cent to 5.9 billion euros (£5.1 billion).

Meanwhile, Wetherspoon founder Tim Martin played down the role of Brexit-related driver shortages after the pub chain was hit by beer supply issues.

The group has apologised to customers after it said supplies of Heineken, Carling and Coors beers ran dry in some pubs.

Mr Martin, a big supporter of Brexit, said the shortages were mainly driven by industrial action in recent weeks by drivers and warehouse staff acting on behalf of Heineken.

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British Retail Consortium director of food and sustainability Andrew Opie warned: "Christmas is going to be incredibly challenging in some areas."

But, he added that it is "too early to predict that we're going to have problems at Christmas."

He told the UK Trade and Business Commission, a group of MPs and business representatives: "Our members that we're speaking to are not anticipating major problems for Christmas at the moment."

"But they are also saying that it is so challenging at the moment, it's really difficult to keep their head above water and maximise what for many businesses is that crucial period

in the run-up to Christmas.

"So we're not in any way saying we're anticipating major problems at Christmas, but all I can say to you is where we are at the moment, and if we do see problems then that is going to have an impact on products on the shelf."

He said it is not too late for the Government to take action to ensure there are no problems over Christmas.

Alex Veitch from Logistics UK said that there had been a chronic shortage of lorry drivers for several years, but this has now morphed into an "acute shortage".

He said: "It's really to do with Covid to a very large extent, and Brexit to a lesser extent, added to the long-term chronic problem of not enough people joining the sector."

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According to the Road Haulage Association there is a shortage of more than 100,000 drivers in the UK.

Even before Covid there was a 60,000-driver shortfall.

Around 30,000 driving tests for heavy goods vehicles (HGV) did not take place last year because of the pandemic, and Brexit-linked rule changes have worsened the situation.

Businesses have cited a wide range of causes for the supply chain issues they faced in recent months.

The pinch is being felt across much of the economy, however shortages of fast food items have captured much media attention.

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