Brexit has dominated all recent headlines about the UK ports sector. As we write this article there remains, to put it diplomatically, significant uncertainty over how, or even if, Brexit will play out. A strange mixed sense of concern and ‘Brexit fatigue’ hangs over the UK. Or, less diplomatically, as one anonymous senior UK Government Minister reportedly put it when asked what was happening: “Who knows, I’m passed caring.”

While Brexit, as with any major upheaval, brings risks and challenges, it shouldn’t be allowed to obscure the very strong fundamentals that the UK ports sector is built upon. Neither should it blind those outside of the UK’s ports owners and operators, to the deep ambitions of the sector to not only continue to play its bedrock role for the UK, but to grow the already significant value it brings to the national economies and coastal communities.

**UK PORTS**

The importance of ports to the UK is inexorably tied to geography. 95% of the UK’s physical trade with the world arrives or departs the nation by sea via its ports. This includes the export of eight out of every 10 cars made in the UK and the import of nearly half the UK’s food and feed needs. As its predominant global gateways with the world, ports are vital enablers of strategic supply chains for the UK — allowing its industries to export and bring in the food and goods that everyone in the UK depends on in their daily lives, providing choice and affordability.

As well as this role facilitating trade, ports are also huge drivers of value for the UK in their own right. The most recent research estimates that the ports industry in the UK directly contributed £7.6 billion (US$10 billion) to the UK economy, over half of the value contributed by the maritime sector as a whole. Over 100,000 people were directly employed by the ports sector in 2015, jobs which are 47% more productive than the UK average. And each direct job in the ports sector supports at least six more in the broader economy.

The UK’s ports are increasingly much more than hubs of transit for people and goods. They — and their hinterlands, catalysed by the port operators — are bases for the new maritime growth sectors, such as offshore renewable energy and are centres for port-centric logistics and manufacturing. Wider infrastructure development — such as road and rail connectivity — made to support port development can also open a range of more general economic and business activity for coastal communities. Each pound spent on a road scheme connecting a port can add more than four pounds of value for the wider local economy through improving conditions for business and tourism.

All of this is underpinned by an ongoing record of substantial investment — supported by private sector sources such as 6.2 million...
UK pension fund holders and patient capital from all around the world. The leading port operators have invested around £600m each year in ports, developments in the port hinterlands and connectivity projects. Major investments and approvals for new investments, continue despite Brexit uncertainty. And there’s a strong pipeline of future investments – at least $2 billion of publicly visible plans with more anticipated.

INNOVATION

It’s not just in terms of physical assets that UK ports are developing. Major steps forward are being made in the crucial areas of innovation and sustainability. Although we are rightly proud of our heritage, we are a forward-thinking sector, excited about what the future holds. Key technology trends like greater augmentation and autonomy of our operational processes and assets are already happening on the ground. These bring important productivity gains but also, crucially, they improve safety as well. And port operators are committed to embedding even higher levels of sustainability into their operations. They are working hard to build on the progress already made in areas such as air quality and looking to prepare for a future of shipping with dramatically lower emissions.

So, we build from strong foundations and are enthusiastically pursuing the building blocks of further sustainable growth. But to really unlock the potential of the UK ports sector – regardless of Brexit – we need to see a partnership approach adopted by the UK Government, in three crucial areas:

1. **Rules on planning and development.** Key to unlocking more potential investment in ports and their local coastal communities is a more pro-investment and pro-trade framework of rules covering development, with regard to both land-side infrastructure and the related marine areas. The UK’s port trade associations have developed a 10-point plan to improve the conditions for land-side development, with proposals ranging from technical adjustments of definitions to potential game changers like port zones and free trade areas. We will bring forward a marine-side companion to this later in 2019. We call on Government, across departments, to support these plans and boost the UK’s trading capability and growth in our Coastal Powerhouse.

2. **Improved port connectivity.** The UK’s ports welcomed the Government’s Port Connectivity Study and the connectivity aspects of the subsequent Maritime 2050 vision. We now need to see these frameworks delivering improvements on the ground. Freight is still too often ignored or at best comes a distant consideration in UK transport planning and operation. But the prize from addressing this situation could be huge - £14.2bn from relatively small improvements to the operation of the UK’s Strategic Freight Network alone.

3. **An environmental framework that boosts both economic and environmental sustainability.** Ports have a strong commitment to environmental sustainability and support high standards of stewardship. Ports themselves are undertaking a wide roll out of renewable energy schemes and play an important stewardship role in marine conservation. But ports are not complacent and are working on further improvements – electrification of vehicles and processes, investment in new assets, new ways of working for both us and our supply chain partners. To continue this success story, environmental regulation can better balance socio-economic factors with environmental restrictions and take a multi-stakeholder approach to solving key challenges like air quality. Improving, streamlining and increasing flexibility in environmental regimes can ensure robustness while supporting investment and jobs, even potentially increasing the potential of true ‘net gain’.

None of this should be taken as complacency about the current uncertainties that Brexit, particularly a ‘no deal’ scenario, throws up for the UK, including many of its ports. Major system change inevitably brings risk. There are two sides to a border, with the UK only in charge on one side. But regardless of the sensationalist headlines, the UK’s ports are in a strong position and look to the future with confidence.

ABOUT THE AUTHORS

Tim Morris joined the UK Major Ports Group from the communications consultancy Hanover, where he was the Director responsible for the energy and infrastructure practice. Prior to Hanover, Tim spent eleven years in the steel industry with Tata Steel Europe and its successor companies, latterly as the Head of Public Affairs and interim Director of Corporate Communications. His prior roles in steel included those involving energy, environment and strategy. Tim spent six years as a management consultant for McKinsey before joining the steel industry. He has degrees from the London School of Economics and the University of Warwick.

Richard Ballantyne joined the British Ports Association in 2007 and became the Chief Executive and Director of the BPA in 2016. He represents the BPA to a number of industry bodies and is a member of a wide range of government stakeholder groups and European Committees. Richard has in depth expertise in ports, transport and environment policy matters as well as a wide experience of the legislative process around the UK. He sits on the European Sea Ports Organisation’s Executive Committee, the Maritime UK Board and is also a Director of Port Skills and Safety. Before joining the BPA he spent five years at a Westminster political consultancy and was previously an MP’s researcher in the House of Commons.

ABOUT THE ORGANIZATION

The UK Major Ports Group (UKMPG) is the trade body for port operators handling 75% of the UK’s seaborne trade, including the vast bulk of the UK’s global trade flows. UKMPG has nine members who operate 40 ports all around the UK including 13 of the nation’s 15 largest ports. Collectively they invest more than £500m per year in coastal communities and are leaders in areas such as skills, sustainability & innovation. The current UKMPG members are; Associated British Ports, Belfast Harbour Commissioners, the Bristol Port Company, DP World UK, Forth Ports, Hutchison Ports UK, PD Ports, Peel Ports and the Port of London Authority.

ENQUIRIES

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