



Headline

Ports will play a role in delivering the Government’s missions to kickstart economic growth and to make Britain a clean energy superpower. We strongly support the government’s aims of boosting business investment and competitiveness. This submission is focussed on the critical areas of government expenditure that the Treasury must protect, even in a difficult spending scenario, if it is to achieve those aims in the short and medium term.

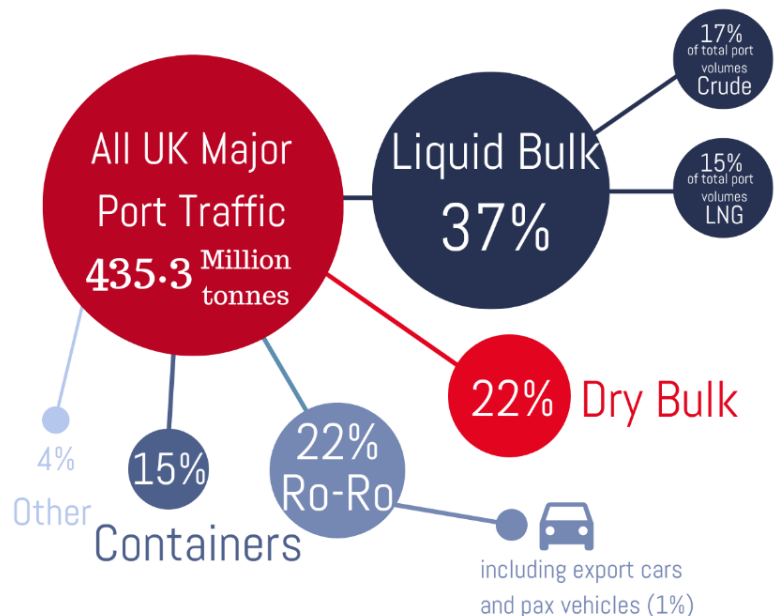
The Ports Industry

The British Ports Association (BPA) is the national association for ports, harbours and terminals, speaking for over 100 port authorities who own and operate over 400 port facilities. We represent the interests of a diverse group of ports to all tiers of government. Our membership accounts for 86% of all tonnage and handle 85% of all vessel arrivals.

The BPA also represents 46 of the top 50 major ports, all the UK’s main energy and passenger gateways, 19 of the busiest 20 fishing ports and an extensive network of ports and harbours that facilitate over one million leisure craft and yachts each year.

The ports industry plays a vital role in our economy, handling over 95% off the UK’s international trade. The sector provides important hubs of regional and nationally significant economic activity and employment, often in areas of deprivation.

The UK ports industry operates on a commercial basis and independently of government in terms of its administration and financing in a highly competitive market. Ports invest significant sums every year into infrastructure at no cost to the Exchequer and are the foundation of a wide range of industries including trade and logistics, energy, fishing, and leisure.



Source: Department for Transport, Port Freight Statistics 2022



Executive Summary

The following areas of government spending are critical to boosting port investment and competitiveness:

1. Retain 'full expensing'
2. Do not scale back the National Wealth Fund
3. Maintain support for Freeports and Investment Zones
4. Maintain (or boost) Department for Transport's capital investment in roads and rail
5. Refresh funding for the successful UK Office for Reducing Shipping Emissions (UK SHORE) and its grant schemes
6. Boost the capacity of regulators that enable sustainable growth
7. Reduce emissions from ships at berth with fair tax treatment for electricity that is used as a marine fuel

Business has for too long been hampered by a government that does not work with it. As a result, investment in the UK is too low. To address this long-standing problem Labour will use every available lever.

Labour Party Manifesto



Boosting Port Investment

Keep the Commitment to Retain the Full Expensing Regime

The 'full expensing' regime is critical to ports and other capital-intensive businesses. It supports increased investment in new machinery and equipment, which supports our industry's competitiveness and our decarbonisation efforts.

It was universally welcomed when it was introduced, initially on a temporary basis, and when it was extended and made permanent. We welcomed the Labour Party's general election commitment to retain it and it must not now be sacrificed if the government is serious about boosting private investment.

Do not scale back ambitions on the £1.8bn ports allocation of the National Wealth Fund

We welcomed the recognition that ports will play a central role in the energy transition and in building thriving local and regional economies more generally. The BPA has set out its initial view on how the national wealth fund, and other sources of public investment in ports such as GB Energy, can be a catalyst for private investment in a paper, which we attach to this submission.

It must not be scaled back before it has begun to benefit the industry.

Maintain agreed support for Freeports and Investment Zones

Freeports and investment zones are important catalysts for investment for the ports that are fortunate to be included in one or the other. It is still relatively early in the process and some freeports are still getting on their feet. Cutting back the (temporary) incentives or benefits of either before they are due to expire would undermine the government's commitment to a stable policy framework.



Boosting Competitiveness & Supporting Clean Growth

Maintain (or boost) Department for Transport's capital investment in roads and rail

Ports rely on government providing good road and rail connections for their competitiveness. Good road and rail connections enable efficient movement of cargo to and from inland areas, reducing delays and transportation costs. Well-connected ports are more attractive to shipping lines and logistics companies, enhancing their competitiveness and ability to handle growing trade volumes. Additionally, strong transport links support economic growth by facilitating smoother trade flows and reducing logistics costs, benefiting both local and national economies.

Government must not reduce capital expenditure on road and rail investment and maintenance.

Refresh funding for the successful UK Office for Reducing Shipping Emissions (UK SHORE) and its grant schemes

An extension of the clean maritime competition and UK SHORE is important to supporting innovation and decarbonisation in the maritime sector. Funding for future years should be provided to help continue to support progress with green shipping corridors, shore power and innovative new technologies and use cases.

The DfT launched UK SHORE in 2022 alongside £206m in funding to accelerate research into and development of clean maritime technologies and create skilled jobs across the country through the clean maritime competition. It is important government continues to support innovation and technology in maritime and this fund has been popular amongst industry.

Boost the capacity of regulators that enable sustainable growth

It is important to ports that regulators and consenting bodies are properly resourced to ensure timely approvals and avoid delays in critical infrastructure projects, which can disrupt operations and hinder economic growth. Government bodies such as the Marine Management Organisation, which is responsible for marine licensing and processing harbour orders, must have the resources they need to carry out all of their functions at a reasonable pace.



Reduce emissions from ships at berth with fair tax treatment for electricity that is used as a marine fuel

Electricity when used as a marine fuel must be able to compete against marine diesel if it is to achieve widespread take up and help create demand for shore power, which in turn will help reduce emissions at berth.

Electricity is uncompetitive against fossil fuels when used to power auxiliary systems at berth. Government should help incentivise the use of shore power where it is available by reducing taxes on electricity when used for marine fuel, including auxiliary engines/generators at berth. Essentially this would mean a VAT exemption and a blanket removal of the climate change levy from shoreside electricity.

British industry is also held back by high electricity costs, which has often made investing here uncompetitive.

[Labour Party Manifesto](#)