
***Developing ports and their hinterland
connections in the 21st Century:
Innovations following the UK
Eddington Report***

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Topics Covered

- Current Ports Policy Approach in the UK
- A New Approach to Policy Making – examining problems across “networks” rather than modes
- “End to End” journeys
- Who should pay for inland connections to ports

Current UK Situation

- Majority of UK foreign trade is transported by sea: 95% by tonnage, 75% by value

- Some Ports are more crucial than others...

- 79% of all tonnage is distributed between 16 of the largest ports

- Ports are crucial gateways, underpinning economic growth:

- 580m tonnes handled in 2006 - worth over £300bn

- There are around 120 commercially active ports in the UK, employing around 74,000 people directly.

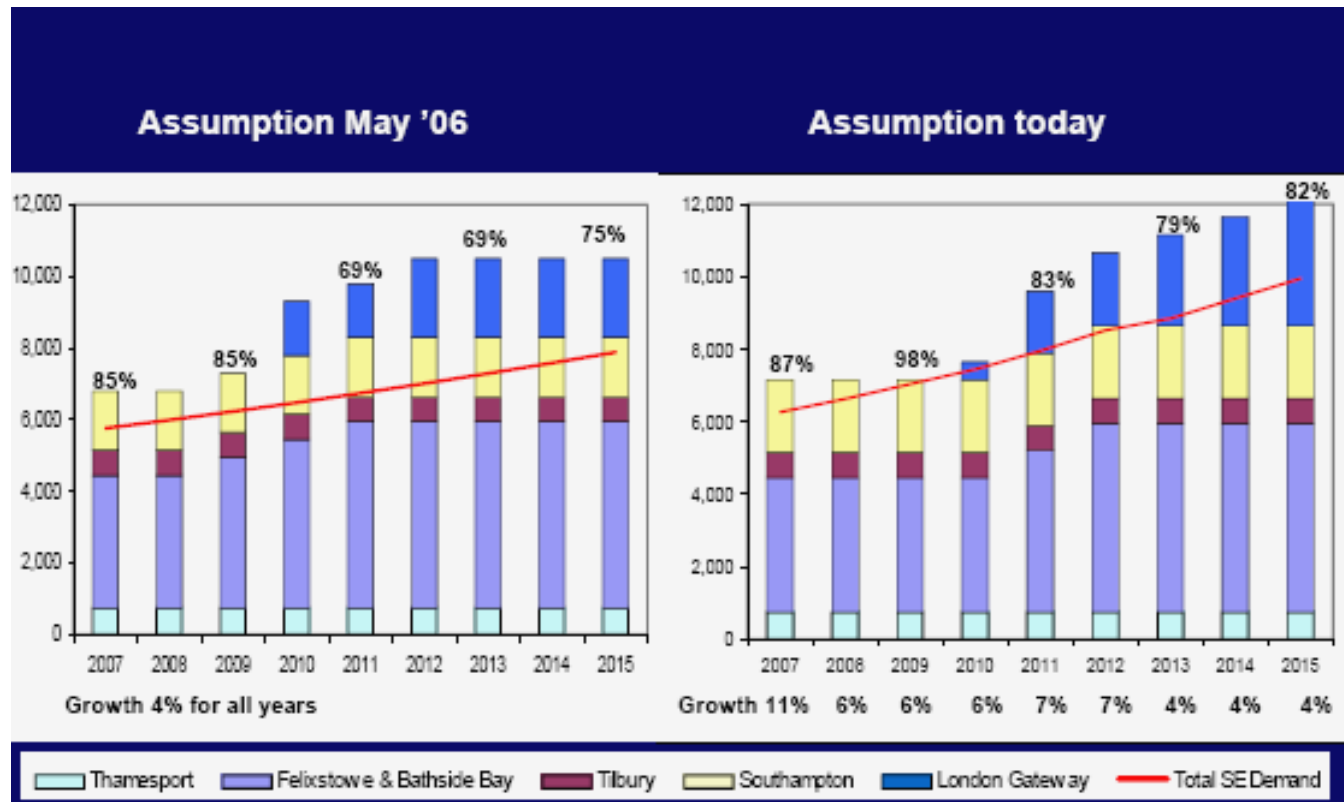


The current approach to UK Ports Policy

- UK Ports Policy published in 2007 provides framework:
 - supporting market led approach
 - consents to new port development
 - safety, security and environmental protection
 - ensures strategic rail and road access to markets and distribution centres.
 - Comprehensive port traffic forecasts
- Market led approach to ports intervening where there is a market failure
- Ports act as commercial, competitive players maximising opportunities and best serving their customers

Growth in container freight poses the UK's greatest challenge

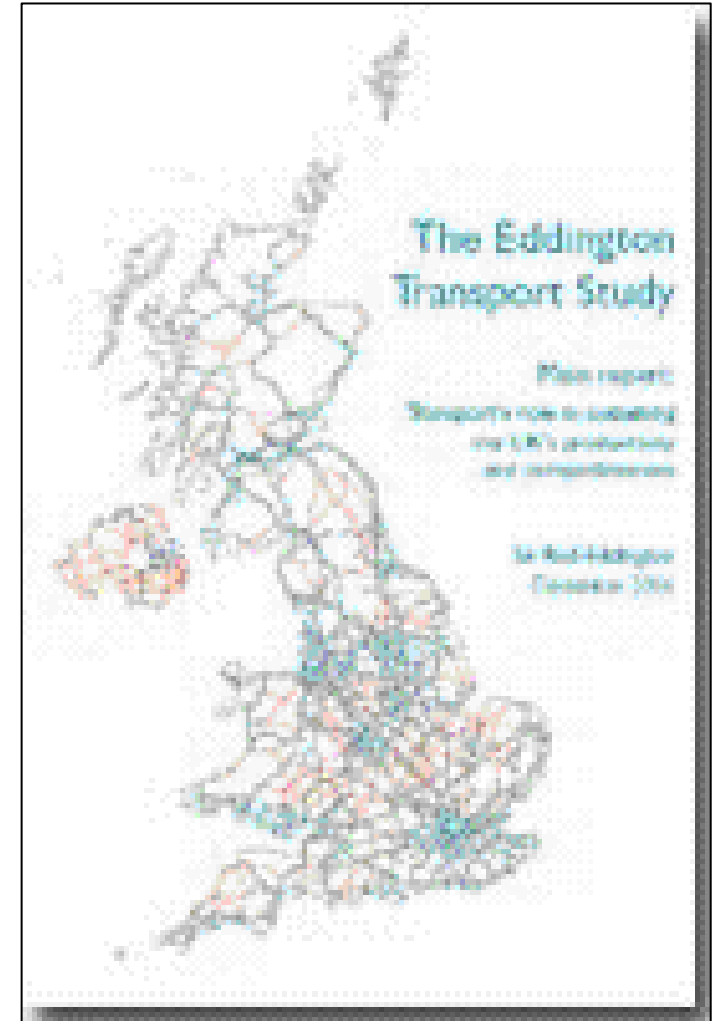
- **Bulk products:** 8% growth expected to 2030.
- **Ro-Ro:** 112% growth expected to 2030. Concentrated in south-east of England (Kent) which provides shortest crossing to mainland Europe.
- **Containers** - 178% growth to 2030. UK South East ports are key – situated on Far East trade routes.



The Eddington Transport Study (December 2006) said that a good transport system enables economic growth



- Improve performance, capacity and reliability on the current network.
- Focus on **key pinch points** which are harming the economy:
 - Growing and congested **Urban areas**
 - The connecting **Inter-urban links**
 - **Key International Networks**



Towards a Sustainable Transport System (Oct 2007) set out a new strategic strategy cycle to policy development in response to Eddington

Set Broad Goals



Define the Challenges



Option Generation



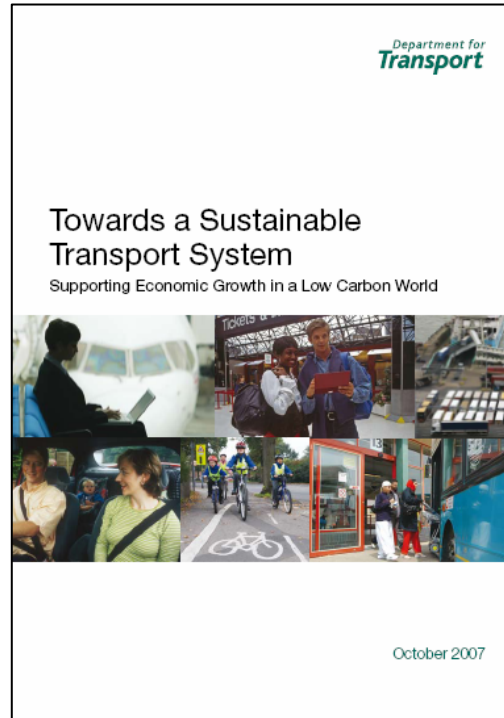
Policy Appraisal



Prioritisation and Selection



Delivering the Policies



- Structured approach to transport strategy development
- Clearly state policy objectives
- Identify problems before defining solutions
- Tackling climate change
- Think cross-modally; consider wide range of interventions
- Make better use of existing infrastructure

Taking an “end-to-end” whole journey approach to policy development

Getting to and
from the port (land leg)

Getting through
the port

Getting to the destination
(sea leg)

Using DfT and industry data to support identification of problems

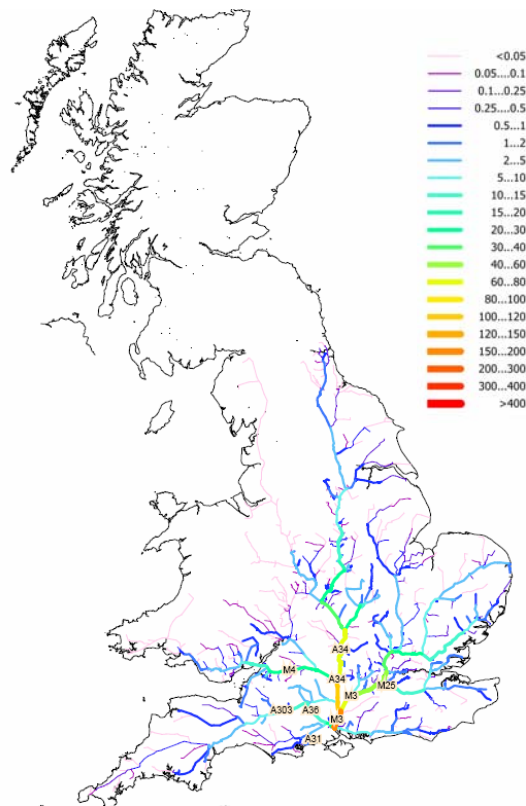
Getting to and from the port (land leg)

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Getting to the destination (sea leg)

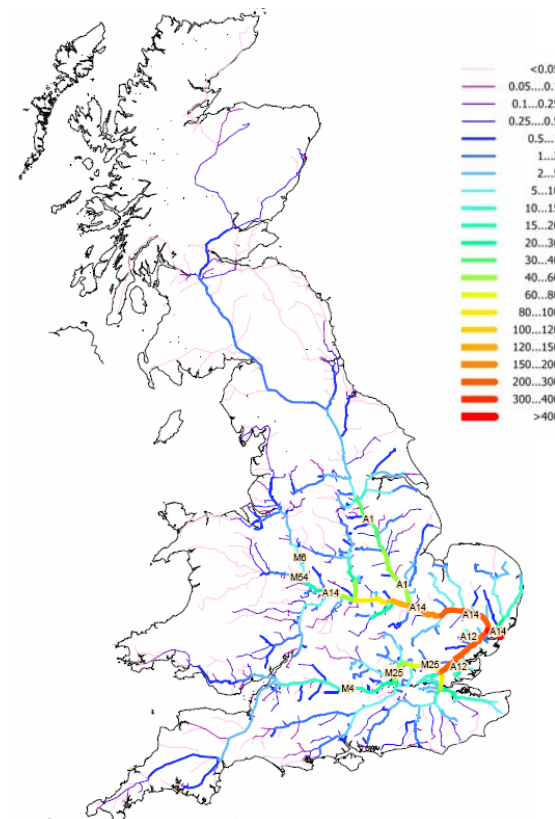
All Imports of containers by road (Thousand HGVs per year)

- Southampton



All Imports of containers by road (Thousand HGVs per year)

- Felixstowe

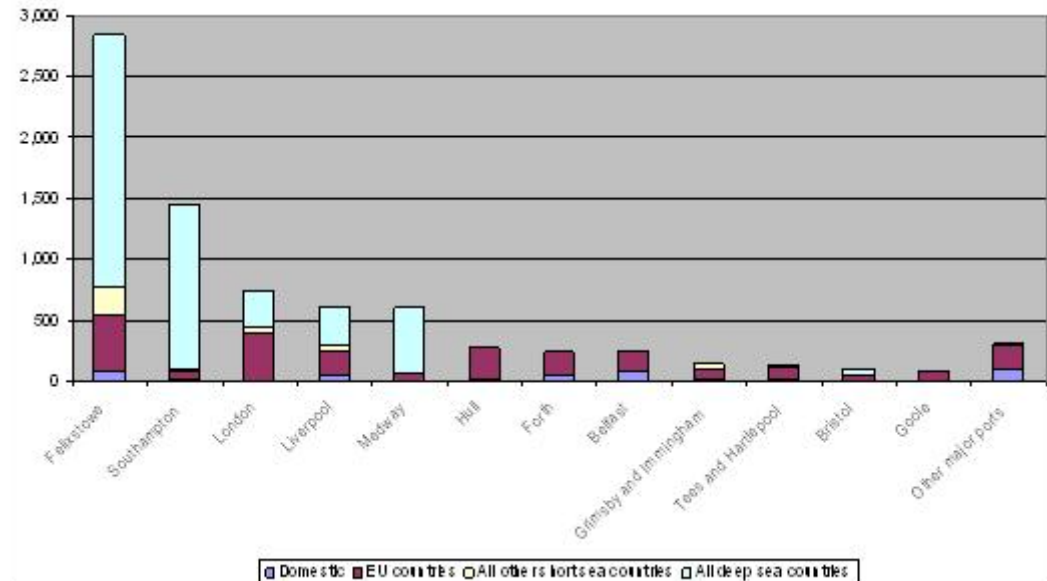
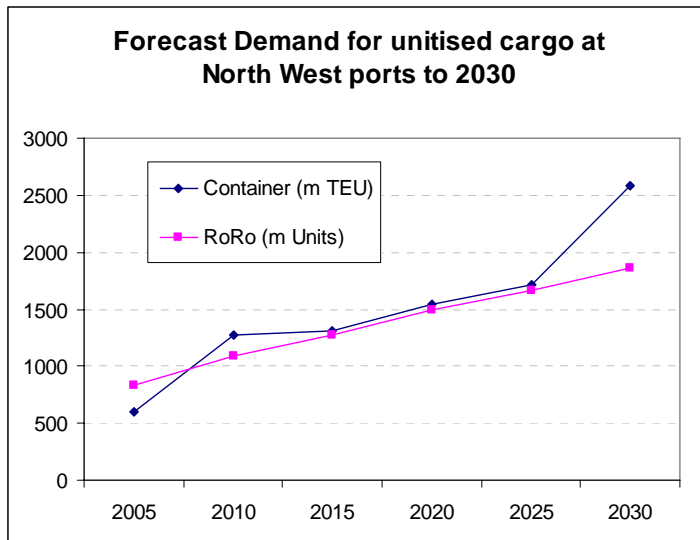


End to end approach allows policy priorities to be assessed across all parts of the journey

Getting to and from the port (land leg)

Getting through the port

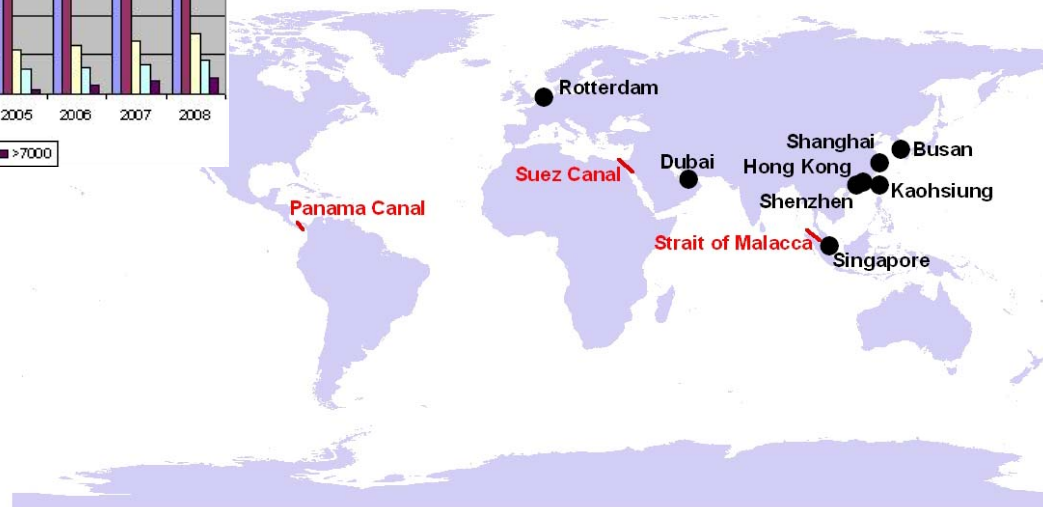
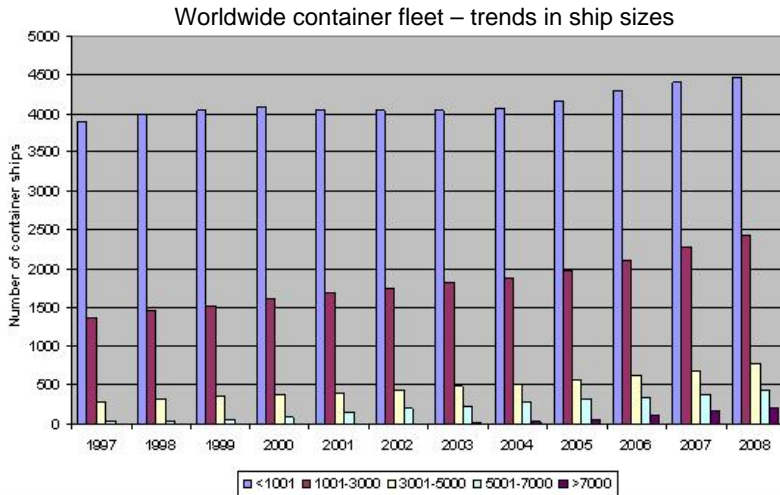
Getting to the destination (sea leg)



Getting to and from the port (land leg)

Getting through the port

Getting to the destination (sea leg)



Develop, appraise and deliver solutions to tackle pinch points across end-to-end journey – examples

Getting to and from the port (land leg)

- Targeted road improvements
- rail gauge improvements
- port centric logistics?
- coastal shipping?
- public / private co-funding for surface access improvements

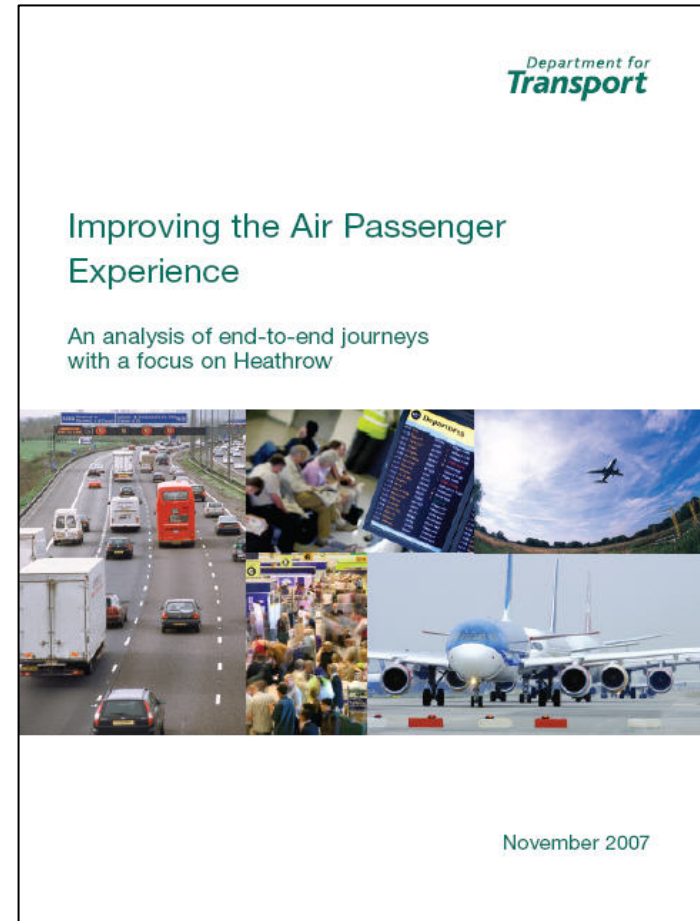
Getting through the port

- new port capacity
- more efficient use of existing capacity
- better land-use planning & streamlined planning system (Infrastructure Planning Committee)

Getting to the destination (sea leg)

- working closely with international bodies
- responding to global trends in shipping

- Published some early analysis focussing on Heathrow, Stansted, Luton & Manchester airports which was well received by industry stakeholders
- Analyses on Container, Air and Roll-on Roll-off freight will be published in November



<http://www.dft.gov.uk/about/strategy/transportstrategy/tasts/userexperience/>

Who should pay for road and rail links to ports?

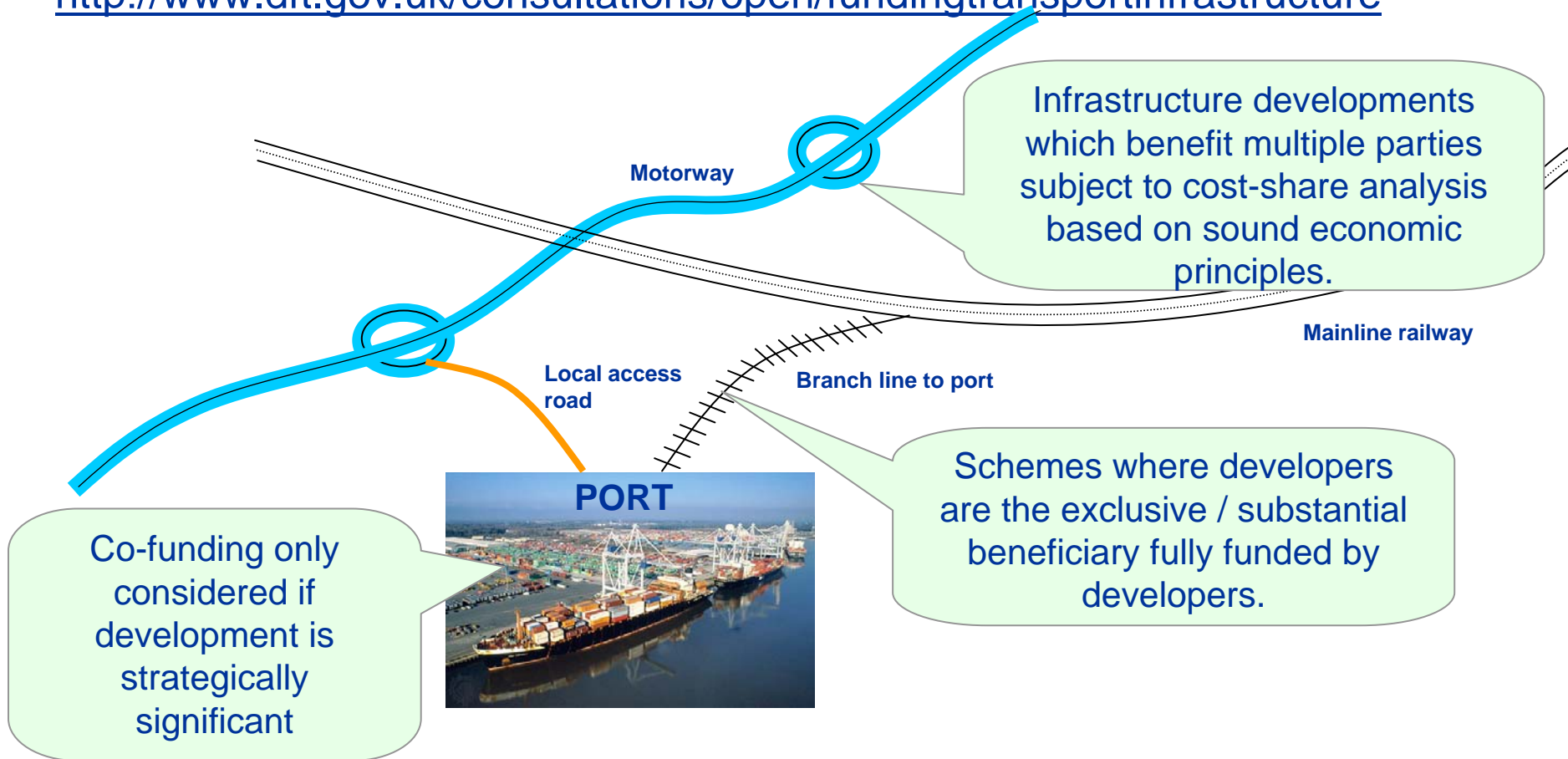
- Industry stakeholders dissatisfied with current arrangements
- Threatens to reduce/delay development investment much of which is funded from globally mobile capital heading toward the UK
- Need to encourage this investment in key international gateways

The current situation risks reducing UK economic activity and impacting on DfT's ability to deliver against its objectives

Proposal to move to a co-funding approach where the “beneficiary” pays for transport improvements

Consultation on a set of principles underway:

<http://www.dft.gov.uk/consultations/open/fundingtransportinfrastructure>



Thank you