

Ports & Logistics Sector Update

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With 36% of the UK's containerised trade coming via the Port of Felixstowe and a value of £3 billion of exports from Suffolk, the ports and logistics sector is recognised as a strength which is driving our economy but also contributing to UK plc with significant growth projected.

Suffolk is a linchpin in global logistics and trade. Not only is it home to the UK's largest intermodal port at Felixstowe but also nationally significant ports for clean energy and agri-food in Lowestoft and Ipswich.

Freeport East, encompassing tax sites at Felixstowe port, Gateway 14 in Stowmarket, and Bathside Bay in Harwich, is one of the largest Freeports in the UK, with the A14 corridor as a major location for smart logistics hubs, port expansion and innovation.

With 28,400 employees in 2,950 businesses the area is poised for significant growth. The sector already contributes £1.6 billion to the economy with 32% more jobs in Suffolk than the England average and a GVA per job of £42.2k. Freeport East alone has the potential to attract £300 million in private sector investment and create 13,500 new jobs, projected to generate £5.5 billion to the economy over 10 years.

The £25 million development of ABP Lowestoft Eastern Energy Facility (LEEF) port for offshore wind and advancements like 5G technology, AI and satellite applications underscore Suffolk's commitment to innovation and economic vitality.

To further strengthen Suffolk's position in global logistics, greater investment is needed in Freeport East, along with wider Enterprise Zones and other strategic developments such as the clean energy infrastructure including advancement of hydrogen-based fuel storage and propulsion. This will ensure that Suffolk remains a critical gateway for international investment, enhancing trade connections and partnerships to also boost export opportunities for local businesses.

The Hydrogen Opportunity

There is also a strong alignment with the clean energy agenda with hydrogen presenting significant opportunities for decarbonising the ports and logistics sector. Freeport East has welcomed significant investment in an international green hydrogen project to drive decarbonisation in the sector. The Hydrogen Zero Emission Maritime (HyZEM) project will receive £1.44 million from Innovate UK and similar sum from Australia's Department of Climate Change, Energy, the Environment and Water.

An international collaboration will support the development and adaption of new climate-friendly, zero-emission technologies and will advance the use of green hydrogen in the maritime industry in both the UK and Australia. The partnership was facilitated by Freeport East and

includes leading UK and Australian businesses specialising in green hydrogen storage and propulsion technologies. HyZEM focuses on developing low-carbon green hydrogen for high powered workboats.

In addition to hydrogen, the East Anglian ports of Ipswich and Lowestoft (ABP) also present opportunities in relation to the planned construction of Sizewell C for transportation, storage and delivery of materials and cargo throughout the construction of the new nuclear reactors.

Economic Strategy Deep Dive – Ports and Logistics

Within the new draft Economic Strategy for Suffolk, the ports and logistics sector has been highlighted as a high growth sector and one that has a clear strength to drive not only the local economy but contribute to UK plc.

In order to test, validate and gain feedback on the economic strategy for the key growth sectors of clean energy, agri-food and ports and logistics, a series of deep dive sessions are being organised with focused groups of industry, education and public sector senior leads.

For the ports and logistics sector, a deep dive session is planned for Thursday 10th October 2024 and will be hosted by Associated British Ports (ABP) at their head office in Ipswich.

Invitees include senior representatives from the ports – ABP and Hutchison Ports – as well as a number of major logistics companies including MSC UK, Uniserve, Maritime Transport, Anglia Freight and Debach Enterprises. Representatives from the education sector, University of Suffolk and Suffolk New College, are also invited as well as Freeport East and Transport East.

Building on the earlier point about the hydrogen opportunity for this sector, there is an obvious synergy with the clean energy sector deep dive being planned for Tuesday 15th October (at Orbis Energy). ABP will be invited to be involved in that session as well due to the importance of the Port of Lowestoft in relation to servicing the growing offshore wind sector and with Project LEEF expected to deliver between £1.15bn and £1.72bn of additional GVA over a period of 60 years.