



23 January 2018

Rt Hon Philip Hammond MP
The Chancellor of the Exchequer
HM Treasury
1 Horseguards Road
London
SW1A 2HQ

Dear Chancellor

Post Brexit vision for UK Port Development and Enterprise Zones

The ports industry plays a vital role in our economy, facilitating over 95% of 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's imminent departure from the EU has created a fresh impetus for a new and innovative growth-generating policy in our coastal communities. Our ports have the potential to become manufacturing and trading powerhouses, given the right policy incentives.

Since the UK's decision to leave the EU, Ministers have been challenging industry stakeholders to consider imaginative and visionary opportunities for our sector which would have wider benefits in a post-Brexit environment.

Our vision is for a new pro-growth and trade initiative where UK ports are designated as 'Port Development and Enterprise Zones', encouraging regional and coastal development and boosting trade. Within such zones, trade and industrial activity could be incentivised by favourable business, tax and planning conditions. This could cover ports, tenants and the clusters of businesses that undertake important activities around port locations and provide significant levels of employment in often deprived regions. These zones would also encourage and support manufacturing and exports. Training and skills development, and community project support available from public sources could also be concentrated in these areas for accumulated benefits.

This would go further than previous enterprise zone policies and initiatives and could incorporate wider ideas such as those behind the 'Free Ports' concept in relation to free trade arrangements at ports. Such zones could also be tailored to all size and type of ports, covering important tourism and other coastal activities as well as trade.

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With political will and support these proposals would be relatively straightforward to implement and could be done so at minimal expense to the Exchequer. As we move into a new trading environment it is important that ports and coastal economies are able to fully grasp the opportunity to grow and develop.

At a time when the Government is shaping a new Industrial Strategy this is a trade and growth driven initiative that can deliver relatively quick benefits to the economy. Indeed, one of our closest competitors, France, has recently taken forward a strategy which includes the 're-industrialisation' of its ports and there is much to learn from this idea.

We are seeking support from across Government and would welcome a meeting with you to discuss the concept, at your earliest convenience.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'R. Ballantyne', with a long horizontal flourish extending to the right.

Richard Ballantyne
Chief Executive, British Ports Association