



BRITISH PORTS
ASSOCIATION



SCOTTISH PORTS

Gateways for Growth 2023



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EXECUTIVE SUMMARY

Scottish ports have played an important role in shaping Scotland's economy, its people, and helping connect Scotland to the rest of the world.

Whilst their traditional role in facilitating the transportation of goods is important, they also support a range of local industries, help provide well-paid jobs, are at the heart of coastal communities, and are pivotal in delivering the Just Transition to Net Zero.

This document will give an overview of the breadth of industries that rely on the Scottish ports sector, **showing how all ports matter**, and will outline the approaches needed to keep the industry thriving in the decades ahead.

AUTHORS



BRITISH PORTS
ASSOCIATION

British Ports Association

The British Ports Association is a **national membership body** for ports, harbours, and marine terminals. We represent the interests of port operators that handle 86% of UK port traffic to Westminster, devolved governments, and other national and international bodies. We provide a resource for our members on legislative and policy issues and facilitate the exchange of knowledge and best practice.

BPA members represent a very broad cross section of the Scottish ports industry encompassing the trust, private and municipal sectors. Its members cover every kind of activity ranging from large cargo handling ports to small leisure ports.



Highlands and Islands Enterprise
Iomairt na Gàidhealtachd 's nan Eilean

Highlands and Islands Enterprise

As the Scottish Government's economic and community development agency for north and west Scotland, HIE's purpose is to generate sustainable economic growth across the Highlands and Islands. Its vision is for the Highlands and Islands to be a highly successful and competitive region in which increasing numbers of people choose to live, work, study, invest, and visit.



Scottish Enterprise

Scottish Enterprise is Scotland's national economic development agency. Scottish Enterprise help businesses to innovate and scale to transform Scotland's economy. Putting net zero at the heart of everything we do, our focus is on the areas where we make the biggest difference - innovation, investment and international.



South of Scotland Enterprise

South of Scotland Enterprise - or SOSE for short – have been set up to bring a fresh and regionally focused approach to economic and community development in and for the South of Scotland.

Covering Dumfries and Galloway and the Scottish Borders, our focus as a public body is to help people, communities, and enterprises in the South of Scotland to thrive, grow and fulfil their potential. Part of our role is to help make a success of new and existing, regionally (and nationally) significant assets such as ports.



SCOTTISH PORTS
GROUP

Scottish Ports Group

The Scottish Ports Group is the only industry-led forum representing the views of this important and dynamic sector, which is a major contributor to the success of the Scottish economy. Coordinated by the British Ports Association, it holds regular meetings with the Scottish Government and other key decision makers.

The group typically meets three times a year, alternating between member ports, online, and in Edinburgh, where the BPA jointly hosts an annual reception at Holyrood with the UK Chamber of Shipping.

The content in this document represents the position of the British Ports Association and is not necessarily representative of the views of Highlands and Islands Enterprise, Scottish Enterprise, or South of Scotland Enterprise. Views and asks expressed in the document that are those of the British Ports Association will be explicitly highlighted.

SCOTTISH PORTS AT A GLANCE

Keeping Scotland Supplied

Scotland's ports ensure the efficient movement of goods, fuel, medicines, and other essentials that are critical to Scotland's economy.

In times of crisis such as the COVID-19 pandemic,
ports are critical to keeping Scotland supplied.

In 2021, the top ports for foreign traffic were Forth (18.3 million tonnes), Clyde (6.3 million tonnes), and Sullom Voe (4.9 million tonnes). Clyde (5.6 million tonnes) and Forth (4.1 million tonnes) together accounted for almost all the imports from foreign traffic¹. Cairnryan (1.5 million tonnes) and Loch Ryan (1.4 million tonnes) were the main ports for inwards domestic traffic.

Keeping Scotland Trading

Scotland's world-renowned exports, from its technology, fishing, or whisky, rely on an efficient ports sector that allows goods to seamlessly reach their final destination. Scottish ports distinguish themselves from the UK ports industry in this regard, as in 2021 they imported 11m tonnes and exported 26m tonnes² – atypical for the wider import-led UK economy.

Exports accounted for **48%** of the total freight moved through major Scottish ports in 2021³.

The Netherlands is the top destination for Scottish international exports with £4.2 billion worth of goods, followed by the Republic of Ireland, the United States, France, and Germany⁴.

Keeping Scotland Connected

Ports help connect Scotland's people. A total of **6.3 million passengers and 2.6 million vehicles were carried on Scottish ferry routes in 2021⁵**. The busiest ferry route in passengers and vehicles is between Gourock and Dunoon, run by Western Ferries, which carried 1.1 million passengers in 2021 and 539,500 cars⁶.

Ferry services are also essential to rural Scottish communities such as the Outer Hebrides, Shetland, and Orkney – which require well-maintained ports and harbour facilities. Other mainland harbours such as Tarbert (Loch Fyne) and Ullapool act as an important intermediate link to island communities and have themselves grown around such connections. These ports therefore provide the vital link for businesses, tourists, and importantly, residents.

For island residents, ferries are often the only way to travel to the Scottish mainland for work, healthcare, education, or to visit friends and family.

Supporting a successful Just Transition to Net Zero

Scotland is already a renewables powerhouse, and is leading the way in onshore and offshore renewables. Ports have been a crucial enabler for this transition and there is huge potential for further renewables development in Scotland (offshore and onshore as well as hydrogen and tidal). Scotland can keep this leading-edge status and, with support to develop capability and grow capacity, ports will continue to be a vital player in this equation.

Northlink Ferries run important ferry services out of Aberdeen and Scrabster into both the Orkney and Shetland Islands, helping bridge the gap to the mainland. Stena Line are another ferry operator, connecting Northern Ireland to Scotland with a line running from Belfast to Cairnryan.

There is a network of ferry ports owned by Caledonian Maritime Assets Ltd, with some harbours managed by Caledonian MacBrayne Clyde & Hebridean (Calmac) Ferries. Caledonian MacBrayne carried the majority of passengers in 2021 (63%), and Western Ferries carried 17%.

**1.4 million passengers and
0.44 million vehicles**

**were carried between Scotland
and Northern Ireland in 2021⁷**



Ports in the Community

Scottish ports have a long history of supporting their local communities. Whilst certain ports are away from residential areas, many have supported the development of the their surrounding towns/villages in the past. Many are the economic drivers at the heart of their respective communities. **They take their role within their community seriously** by providing a base for employment, commerce, and ensuring that port communities benefit from the wealth that passes through them.

Scottish ports go above and beyond their primary functions to increase their positive impact on their communities with initiatives like school open days, charity funds, public awareness campaigns, and youth spaces.

Conservancy and navigation

Statutory Harbour Authorities are responsible for managing and overseeing the operations of ports and harbours, and their powers and responsibilities are set out in their enabling legislation or Harbour Orders. Whilst these may vary depending on the type of business the port is engaged in, **there are several common activities that most Harbour Authorities undertake to ensure the safety and well-being of users on land and on water:**

Maintaining a navigable channel through dredging:

Some ports have automatic powers to dredge, which means that they can carry out this activity without seeking additional approval. This helps to ensure that vessels can navigate the port safely and efficiently.

Dredging is fundamental to the safe continued operation of ports. No port dredges more than the

minimum necessary to allow for the safe navigation of vessels. Whilst dredging can be a routine practice in some ports, there are strong processes in place to protect the marine environment and activity is overseen by marine scientists at various regulators and agencies.

Placing and maintaining aids to navigation:

Harbour Authorities are responsible for placing and maintaining aids to navigation, such as lights and buoys, to help guide vessels safely through the harbour.

Removing wrecks or obstructions that may pose a risk to navigation or the environment.

Harbour Authorities levy a charge on harbour users to pay for these activities. The fees are usually based on the size and type of vessel and the amount of time spent in the port.



Vessel Traffic Services:

To help support them in their duties to ensure safe navigation and use of the harbour, many ports operate Vessel Traffic Services (VTS). These services provide real-time information to vessels in the harbour, including information on other vessel traffic, navigational hazards, and weather conditions. This helps to promote more efficient vessel traffic movement and enhances the safety of vessels and users in the port.

Certain port authorities are also designated as **"Competent Harbour Authorities"** and are expected to maintain a pilotage service. This means that they provide trained pilots to guide vessels safely through the harbour. Competent Harbour Authorities have powers to make pilotage directions, including making pilotage compulsory.

Jobs and Labour

Ports provide landside hubs for Scotland's trade, energy sector, and provide marine fuel supplies, and facilitate coastal recreation, tourism, and other maritime activities. Whilst all ports need ships and boats for this activity, they also require people to run them. Ports play a key role in their local communities by providing productive, well-paid jobs, and will help create the green jobs of the future.

Whilst important in certain roles, many roles in ports do not require time at sea. The jobs available are diverse and similar to those outside of the sector, such as: administration, business development, communications, design and engineering, driving, finance and accounts, health and safety, human resources, IT, legal, management, marketing, property management, security, and sustainability.



BPA View:

Ports can be a key part of the new 1.7 million new green jobs that could be created across the UK⁸, though we ask for some level of government commitment to re-skilling and upskilling to help workers move into new fields.



Ports directly employ an estimated

18,600

people in Scotland⁹ (2022)

Ports support a total of

49,202 jobs

across Scotland¹⁰

Port jobs are well paid: the average worker in a Scottish port earns

£46,182¹¹

Scottish ports contribute an estimated

£1.5bn GVA

to the Scottish economy every year¹²

Port Ownership Types and Governance

No two ports are the same, but all have similar duties and responsibilities. Some focus on marine issues, others on landside activities. Following a wave of deregulation in the late 1980s/early 1990s, the ports sector changed substantially.

There are three main types of Statutory Harbour Authorities (SHAs) in Scotland – private ports, municipal ports and trust ports.

Private Ports

Private ports are run by private companies on a commercial basis, independent from government.

Some of the largest ports are often owned by ports groups, for example, the majority of the ports and terminals on the Forth estuary are owned by Forth Ports, which also owns the Port of Dundee.

On the West Coast, Clydeport is owned by Peel Ports, Kishorn is owned by Ferguson Transport and Shipping & Leiths Ltd, and the quarry port of Glensanda is operated by Aggregate Industries Group. ABP, the UK's largest private port operator, runs Ayr and Troon. Other smaller private ports include Westway Dock, Gills Bay, and Lossiemouth.

Trust Ports

Trust ports are strategically and financially independent of Government and operate wholly in the private sector, though they are 'publicly accountable' to their stakeholders. Their accounts are fully audited and published annually, and their income is derived from their statutory functions and commercial operations.

They operate in a commercial environment with no direct public funding and compete with private and local authority ports, as well as other trust ports. In essence, **trust ports own themselves and they cannot be owned by another body without a major legal change.**

Trust ports have powers to raise revenues by levying dues and charging for the use of port facilities. They operate on a commercial basis, pay taxes and, except in a very small number of cases where there is specific local legislation, receive no systematic public subsidies other than those which are, on occasion, made available to all ports.

There are many trust ports in Scotland including Aberdeen, Cromarty Firth, Eyemouth, Fraserburgh, Inverness, Lerwick, Mallaig, Montrose, Peterhead, Scrabster, St Andrew's, St Margaret's Hope, Stornoway, Tarbert (Loch Fyne), Ullapool and Wick.

Local Authority Ports

Local authority ports are accountable through a board of locally elected councilors. There are local authority ports in Aberdeenshire Council, Angus Council, Argyll and Bute Council, Comhairle nan Eilean Siar, Dumfries & Galloway Council, Highland Council, Moray Council, North Ayrshire Council, Orkney Islands Council, Perth & Kinross Council, Renfrewshire Council, Shetland Islands Council, and West Dunbartonshire Council.

Port Regulators

The Scottish ports sector has a productive relationship with its regulators. Ports maintain relationships with the Crown Estate Scotland, Marine Scotland, and the Scottish Environment Protection Agency. Ports rely on a functioning and well-resourced regulatory system to operate effectively.

Scottish ports will also provide important hubs for the offshore wind and renewables industry, and it is essential that the sector operates in an agile planning system. Scotland's prevalence of environmental and historical conservation designations means that for even the smallest developments in a port, an Environmental Impact Assessment, of some kind, is often carried out.

BPA View:

Permitted Development Rights are also an important part of a port's toolkit in responding to moving opportunities. Ports are established authorities, and unlike other entities, will likely exist for many generations to come. We would therefore suggest that in order to support the growth of new markets the Scottish Government should continue to consider increasing the scope and thresholds of port PDRs and to help make planning processes more effective.



Port Skills and Safety

The BPA jointly owns Port Skills and Safety (PSS), the national organisation that provides advice on safety and skills issues and promotes best practice throughout the UK. PSS is the standards setting body for the ports sector and work with maritime stakeholders to maintain a suite of National Occupational Standards for harbour masters, port operators, and VTS operators. It develops qualifications and apprenticeship frameworks based around SVQs in Scotland.

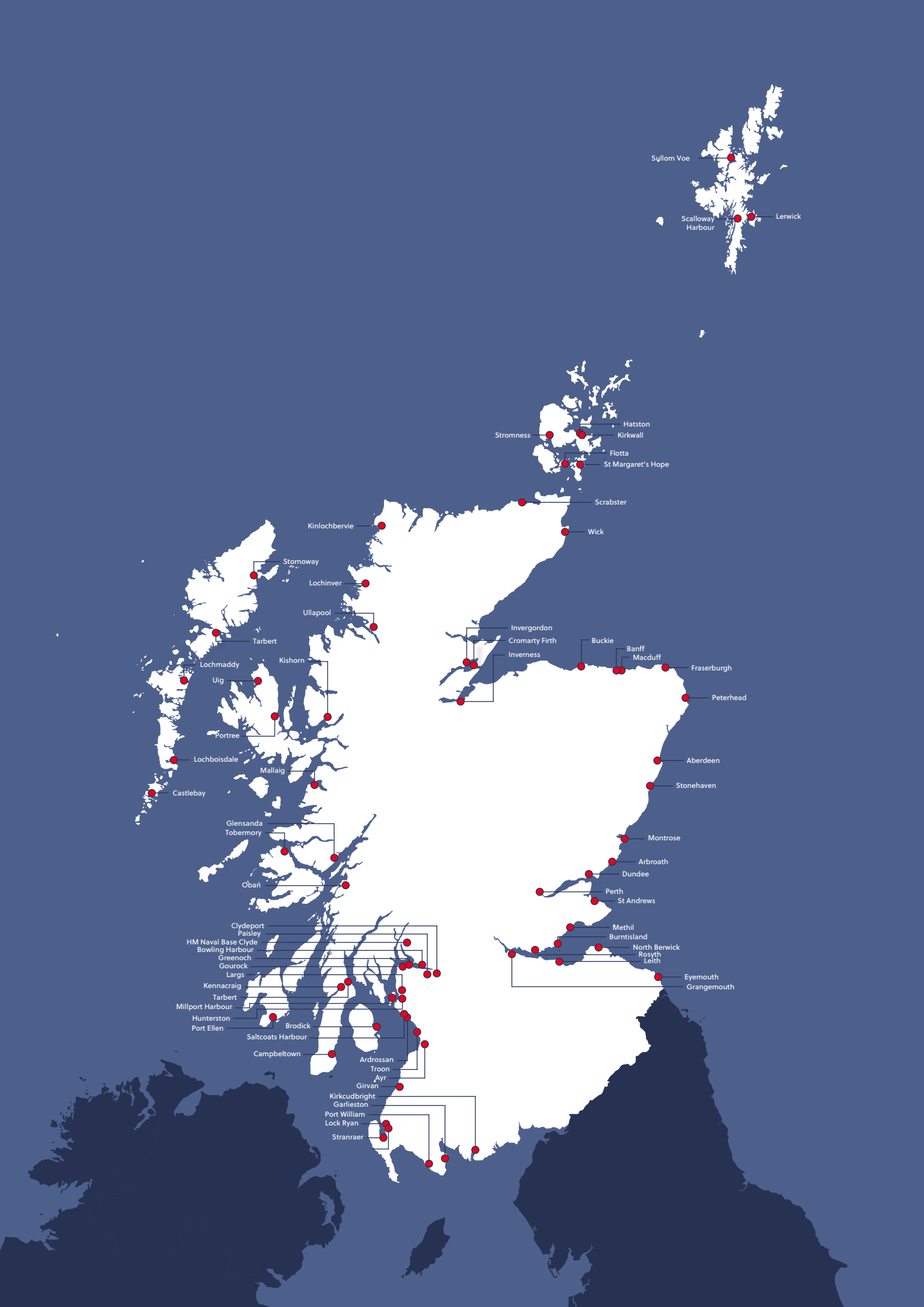
PSS works closely with Scottish ports, the Health & Safety Executive, and trade unions in promoting safety in the workplace.

Training can take the form of individual or tailored activities at the port or at seminar style sessions such as, although not exclusive to, the trust board briefing sessions jointly organised by the British Ports Association and DfT.

Port Marine Safety Code

The safety of employees is a top priority for the ports industry and in terms of marine safety ports and government have developed excellent guidance. The Maritime Coastguard Agency manages the Port Marine Safety Code, which is a national standard for port safety. The Government Code requires port authorities and marine organisations, such as berths, terminals, and marinas, to identify a duty holder, implement a marine safety management system, appoint designated person and comply with this Code. The steering group, consisting of industry (including the BPA) and government representatives (including Transport Scotland), periodically reviews the Code. Its principles are designed to be applied proportionally by both major ports and smaller marine terminals and harbours.





Sullom Voe

Scalloway
Harbour

Lerwick

Stromness

Hatston

Kirkwall

Flotta

St Margaret's Hope

Scrabster

Wick

Kinlochbervie

Stornoway

Lochinver

Ullapool

Tarbert

Lochmaddy

Kishorn

Ulig

Portree

Lochboisdale

Mallaig

Castlebay

Glensanda

Tobermory

Oban

Clydeport

Paisley

HM Naval Base Clyde

Bowling Harbour

Greenoch

Gourock

Largs

Kennacraig

Tarbert

Millport Harbour

Hunterston

Port Ellen

Brodick

Saltcoats Harbour

Campbeltown

Ardrossan

Troon

Ayr

Girvan

Kirkcudbright

Garlieston

Port William

Lock Ryan

Stranraer

Invergordon

Cromarty Firth

Inverness

Buckie

Banff

Macduff

Fraserburgh

Peterhead

Aberdeen

Stonehaven

Montrose

Arbroath

Dundee

Perth

St Andrews

Methil

Burntisland

North Berwick

Rosyth

Leith

Eyemouth

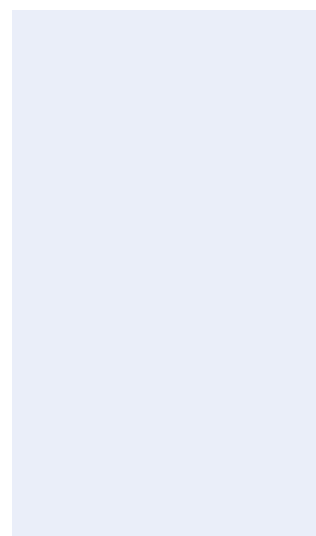
Grangemouth

PORTS MOVING CARGO

Ro-Ro Ports

Ro-Ro is a type of cargo that is rolled onto the ship whether it is self-propelled or not. This type of cargo covers trailers, whether accompanied by a driver or not, vehicles for import/export, passenger vehicles, and rail wagons. Ships carrying ro-ro cargo are often mixed mode – with some able to carry containers, vehicles, and passengers.

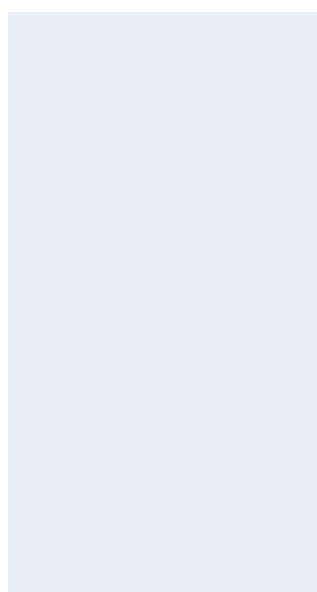
Ro-Ro ports are typically equipped with specialised infrastructure, including loading ramps, cargo handling equipment, and large parking areas. Ports across Scotland run important ro-ro services: Cairnryan and Loch Ryan are the main ro-ro ports connecting Scotland and Northern Ireland, and the Port of Aberdeen connects Scotland to Norway with a regular ro-ro service.



Lo-Lo Ports

Lo-Lo refers to cargo that is loaded on and off a vessel in shipping containers. Most containers are 40ft x 20ft units, but others are also included under the category. This cargo is typically carried on specialised container ships. Ports such as the Forth Port's Port of Grangemouth, Clydeport's terminal at Greenock, the Port of Dundee, and the Port of Aberdeen are capable of handling container ships and some have extensive facilities for loading and unloading cargo.

Scotland also has several smaller ports that specialize in handling smaller container ships and cargo containers that are smaller than the standard 20 or 40-foot containers. Ullapool Harbour has facilities for handling both conventional and containerized cargo, and Campbeltown Harbour is a small commercial port capable of handling small container ships.



Dry Bulk

Dry bulk is any cargo that can be scooped. It is typically carried in the hold of a general cargo ship and handled with cranes or specialised loaders. It includes ores, coal, coke, bulk agricultural products like grain, soya, aggregates, and wood pellets. As Scotland decarbonises there has been a general drop in coal volumes, but other dry bulk cargoes, such as wood chip and pellets, are rising.

Glensanda port exports granite aggregates from the Glensanda Coastal Super quarry – the largest granite quarry in Europe. The port has purpose-built ships able to carry 100,000 tons of granite. Since the port

opened in 1986, there have been over 5,500 shipments from the port to projects throughout Europe¹³.

Liquid Bulks

Liquid bulk covers four categories of cargo carried by tankers: Liquified gas (e.g. butane, propane, LNG), crude oil, oil products (e.g. diesel, gasoil, jet fuel), and other liquid bulk (e.g. juices, liquid fertiliser). Ports that facilitate liquid bulk cargo will often have refineries connected to or in very close proximity to the port.



RENEWABLES AND THE JUST TRANSITION TO NET ZERO

Thriving and successful ports are vital for Scotland to reach key national economic goals and the just transition to Net Zero.

Ports have the potential to make a significant contribution to support development and management of major renewables projects (onshore and offshore) and harness further benefits in the broader supply chain. 'Circularity' – the decommissioning, recycling, and re-purposing of offshore renewable assets when they reach the end of their life span, also offers lucrative opportunities for Scottish ports. Supporting an increase in capacity across Scottish Ports fits well with Scotland's National Strategy for Economic Transformation (NSET) ambitions to support productive regions as well as ensuring we take climate action, at the macro level.

Below is a (non-exhaustive) overview of relevant activity and opportunities that have a bearing on port development.



Offshore Wind

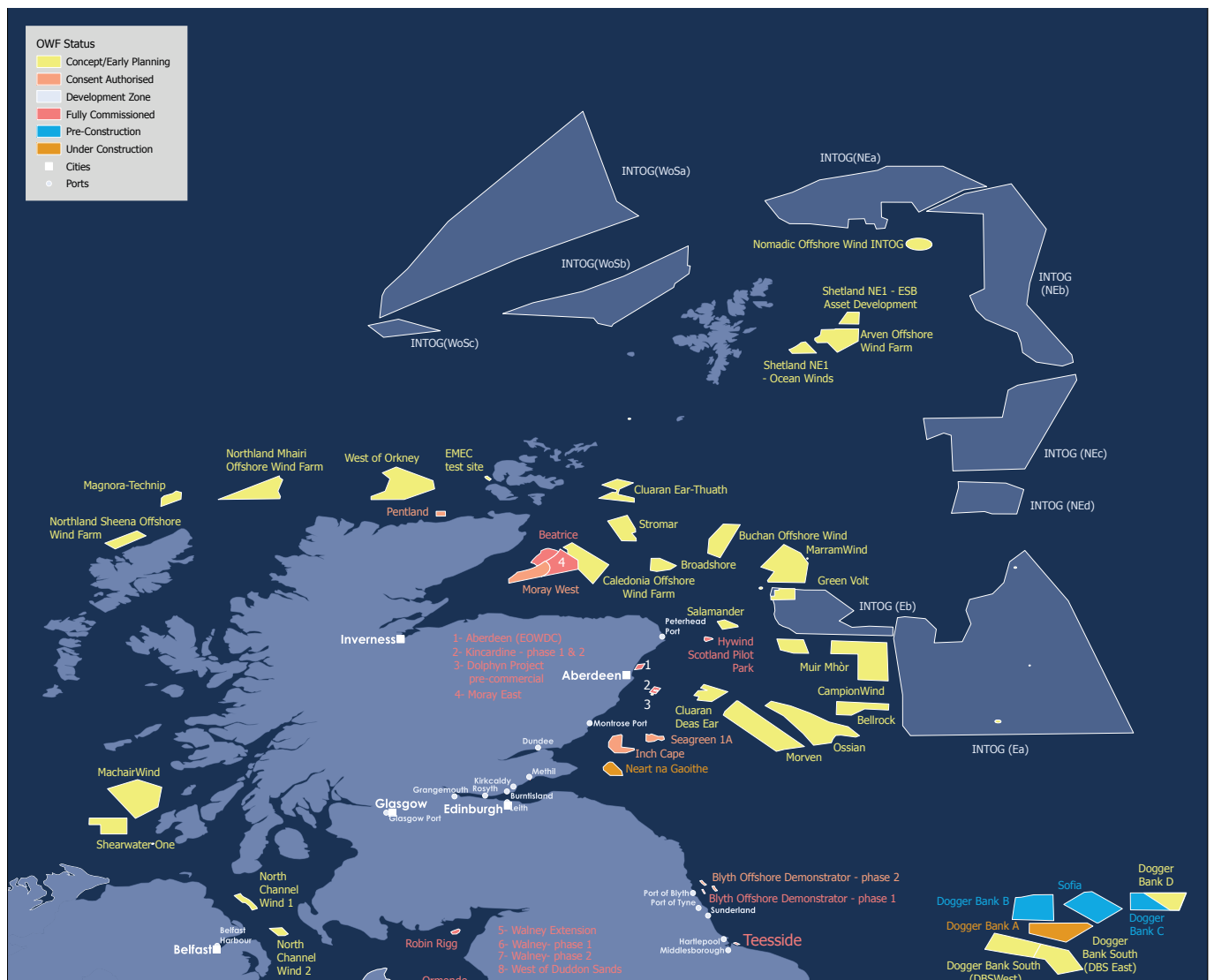


Ports are the important landside bases for manufacturing, assembly, surveying, assessment, and the eventual decommissioning of offshore wind projects. Ports are an essential part of the offshore wind industry, and their needs need to be taken into consideration if the industry is to thrive.

Scottish ports have seen great success already due to their strategic locations and existing infrastructure to support the construction, and operations and maintenance requirements of offshore wind projects, such as in Aberdeen, Cromarty Firth, Dundee, Fraserburgh, Leith,

Montrose, Orkney, Peterhead, Wick. The scale of OSW planned through Scotwind and INTOG leasing rounds will mean a continuing and expanded demand for space in Ports around the Scottish coast. This space requirement is recognised by SOWEC and the industry as being critical to realising the economic impacts of OSW. Many ports will have a part to play. Some will have roles in supporting marshalling, others can support both marshalling and fabrication and port-centric manufacturing of large components.

Whilst there have been many success stories for ports across Scotland, there is massive ambition in the industry to go further as port operators are eager to grasp the opportunity.



Scottish ports exist in a free and competitive market and are used to making expansion decisions based on expected demand from port users. The speed of offshore wind development and its associated demand on ports is leading to a a step change in demand for space. This space requirement exceeds current port capacity. Some ports have finite space to expand into, limiting the range of options. Timing is also critical as port space for offshore wind is needed for the predicted start of the Scotwind built out (c2027/8). New space requires various consents that are subject to statutory consenting processes.

Port sites must be expanded to meet manufacturing needs, particularly for the substructures for floating offshore wind. A Crown Estate Scotland report produced by ARUP found that there is a significant risk that existing port capacity is insufficient to support the offshore wind builds required in Scottish waters to meet

the UK net zero target¹⁴. Ports have worked with the enterprise agencies to identify potential expansion options that could create new capacity.

Around

30,000

people are expected to be employed in offshore wind in Scotland by 2030

Onshore Wind



With its abundant wind resources, Scotland also has the potential to become a leader in onshore wind energy generation. Scottish ports provide the necessary infrastructure for receiving,

BPA View:

In general, the BPA believes the UK's marine licensing system is more stringent than that of other European countries, even though they are all based on similar rules derived from European directives. As a result, marine developments often face additional conditions and expenses that our competitors do not. To enhance the Scotland's appeal to energy and marine developers, it is necessary to consider the planning procedures and how to accelerate the decision-making process.

Additionally, whilst the UK government's Offshore wind Sector Deal includes the aspiration to increase UK content to 60% by 2030. However, this target is aspirational and there is no mandatory requirement for developers to use UK suppliers. To fully realise the potential of offshore wind, the BPA would encourage this 60% target to be enforced throughout the supply chain. It is also important that any expansion of content rules is done in a way that supports local supply chains in Scotland whilst maintaining a competitive industry.



storing, and distributing the heavy and large components needed for the industry to grow. They also offer the ideal locations for assembly and manufacturing of turbines and related equipment. Many Scottish ports have experience in managing onshore wind turbine components in an efficient and effective way.

Hydrogen



The Scottish Government has set out its intention for Scotland to be a leading hydrogen nation with an aim for Scotland to generate at least 5GW of hydrogen by 2030 and 25GW by 2045¹⁵. **Scottish ports will be an important part of delivering this new energy vector by becoming hydrogen hubs.** Areas around ports have direct access to renewable energy sources such as wind and tidal, which can be generated into green hydrogen using electrolysis. Their coastal nature gives them abundant access to water, they have the existing infrastructure that can be repurposed for hydrogen production, and they have well-established storage and distribution chains.

Ports with smaller-scale production capabilities can use hydrogen to decarbonise their own operations by using hydrogen fuel cells for port vehicles and equipment, and they can become hydrogen fueling stations for local cars, trucks, and buses. As future fuels are adopted, hydrogen or its derivatives may have a role and ports are considering how they can accommodate this in their activity.

Hydrogen is a new technology with high capital costs and creates regulatory challenges in terms of its transportation, storage, and use. Despite this, Scottish ports are eager to explore the industry and are already investing in their hydrogen capabilities. For example, the Port of Cromarty Firth is positioning itself as an ideal green hydrogen hub with the North of Scotland

Hydrogen Programme. The project's initial phase would produce up to 30 MW of green hydrogen to be used in nearby whisky distilleries. More broadly, the Port's 'Hydrogen Working Group' has 40 members interested in developing a green hydrogen hub.

Wave & Tidal



Scotland has a real opportunity to become a leader in the development of wave and tidal power, thanks to its abundant and consistent marine resources. Scottish ports are well-positioned to support this opportunity but face several barriers to the successful integration of wave and tidal power into their operations.

The technology and regulatory environment for wave and tidal power is still evolving, and there is often uncertainty around the approval process for new marine energy projects. This can create delays and add additional costs to the development process. Connecting wave and tidal power projects to the grid can also be challenging, particularly in remote areas, which can result in higher transmission costs and longer project timelines.

Despite this, wave and tidal power can provide new revenue streams for Scottish ports through the leasing of land, facilities, and services to marine energy companies. It can also improve opportunities for local employment in engineering, construction, and other related industries.

Carbon capture and storage



Carbon capture and storage (CCS) will be an important technology for achieving Scotland's net zero targets. It involves capturing carbon

dioxide (CO₂) emissions from industrial processes, transporting them via pipelines, and storing them permanently in underground geological formations.

The deployment of CCS technology will make use of Scottish ports and could lead to new investment and employment opportunities, particularly in the construction and operation of CCS infrastructure. Some Scottish ports are strategically located near major sources of CO₂ emissions, such as power plants and industrial facilities, which makes them well-positioned for the deployment of CCS technology. **Many Scottish ports have existing infrastructure, such as deepwater berths and proximity to pipelines, which can be repurposed for the transportation of CO₂.**

Oil & Gas Decommissioning



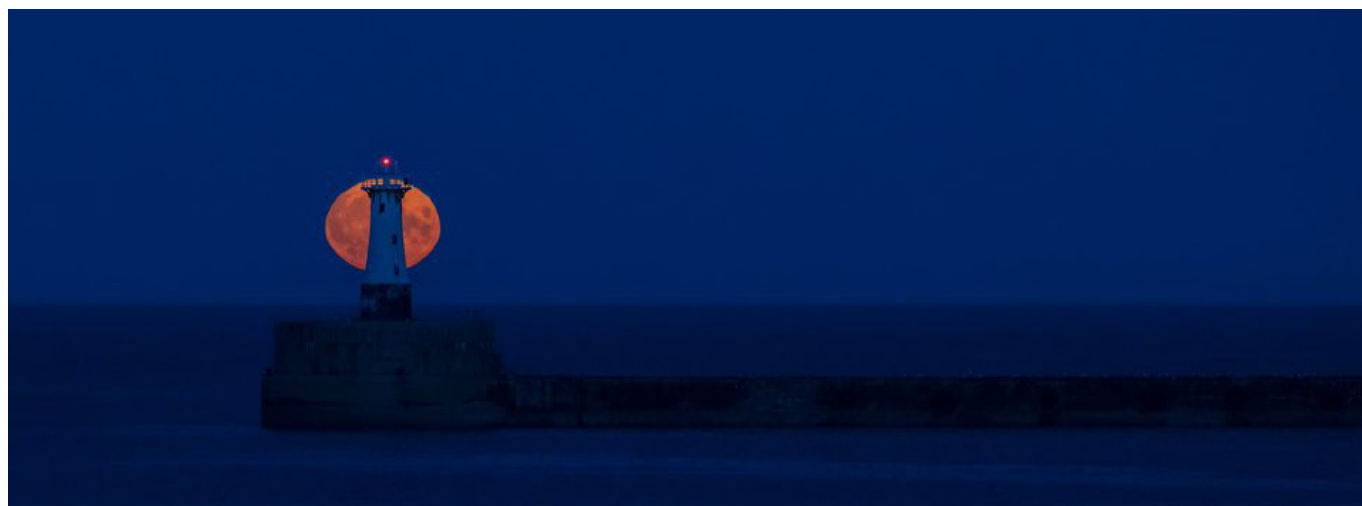
The oil and gas industry has played a crucial role in the economy of Scotland for several decades. As the industry matures and the demand for renewable energy sources increases, **decommissioning has become a critical component of the sector.**

Many ports are familiar process of decommissioning which has been a feature of the operation of oil and gas sector over the last few decades.

According to a report by Decom North Sea, the market for decommissioning in the UK continental shelf is expected to reach £15.3 billion by 2025¹⁶, with Scotland accounting for approximately 50% of the market share. This highlights the importance of the decommissioning sector to the Scottish economy, and ports are an essential component of this process. In the UKCS alone, 302 oil and gas installations, 373 subsea installations, 16,000km (about 9941.94 mi) of pipelines and more than 5,000 wells will all eventually need to be decommissioned.

The Dales Voe facility in Shetland is one of Scotland's largest largest decommissioning ports. It has played a significant role in decommissioning several offshore structures, including the Buchan Alpha platform, the largest structure to be decommissioned in the UK.

The Northern Producer rig has also anchored at Kishorn Port, a historic manufacturing yard for oil platforms. The Port also helped decommission and recycle 1,200 te of material from the MV Kaami vessel in just 13 weeks.



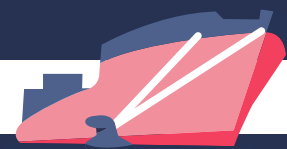
Green Freeports



BPA View:

Green Freeports are an exciting and innovative way to increase investment into port communities and capitalize on opportunities afforded by the Just Transition. **The British Ports Association is broadly in favour of policies within the package** – though the Scottish ports sector has grown from its competitive nature, and as such, we would encourage the governments to more actively consider how ports in all regions of Scotland can be given the right conditions to succeed.

Whilst not all ports can be awarded this status, the need for a level playing field to ensure no port or coastal community is left behind is evident and integral to the inclusive growth that port developments can deliver nationwide. From planning to taxation, there are plenty of tools available to help stimulate Scotland's coastal economy. We would therefore urge the Scottish and UK Governments to not limit growth ambitions and **consider expanding some of the Green Freeport mechanisms** to all ports in Scotland. This would create better investment environments and ultimately assist in securing a greener future through investment in new technologies.



Coastal shipping



Coastal shipping has a positive environmental impact and can ease congestion in Scotland's roads, improve local air quality, journey times, and reduce Scotland's net emissions. **Shipping is by far the most energy and carbon efficient way to move freight** and the British Ports Association has long argued that when it comes to climate change, ports and shipping are part of the solution, not part of the problem.

There have been cases of successful modal shift in Scotland - Associated British Ports has the established TimberLINK service to move timber from a number of ports on the west coast. This scheme is expected to deliver 10,000 fewer lorry trips on the A83 trunk road by 2025. More recently, this service has been run by the Forestry Commission.

BPA View:

Shifts like these are encouraged and do not require significant investment. Simple regulatory and planning changes can encourage businesses to transport goods through the coast rather than road haulage. However, road haulage remains a cheaper option than domestic coastal shipping. The industry therefore supports subsidies in line with those that already exist for modal shift towards rail freight, and encourages greater government resource towards modal shift.

Agriculture



Scotland's agricultural industry generates billions every year in sectors like arable farming, forestry, and livestock. Scottish ports play an important role in ensuring these agricultural goods, such as sought after Scottish beef and lamb, are exported internationally. Ports also provide warehousing and distribution services to allow agricultural products such as feed and fertiliser to be transported safely into and out of the country.

Fishing



Fishing plays a significant role in many of Scotland's coastal communities, providing employment, income, and a way of life for thousands of people. **Scotland is home to three of the five largest fishing ports in the UK** – Peterhead is the largest in the UK in terms of fishing landings, with Lerwick and Fraserburgh ranked second and fourth respectively.

The Scottish fleet possesses bigger vessels compared to the English fleet, with an average length of 14 meters for Scottish vessels, while the average length of English vessels is slightly over 11 meters. Consequently, although the English fleet has 23% more vessels, the Scottish fleet has twice the capacity of the English fleet¹⁷.

In recent years there has been a reduction in the number of fishing vessels within the Scottish fleet, although the number of larger vessels has shown an increase. As the fishing industry evolves and larger vessels are introduced, Scottish ports must adapt their infrastructure such as constructing larger berths and improving access channels. These developments enable the safe and efficient docking, loading, and unloading of larger fishing vessels, accommodating their increased capacity and specific operational needs. By investing in

port infrastructure, Scottish ports can attract and retain fishing fleets, providing them with the necessary facilities to thrive in a changing industry landscape.

Scottish vessels landed

437 thousand tonnes of sea fish and shellfish with a gross value of

£560 million in 2021¹⁸.

Aquaculture



The aquaculture industry in Scotland has been growing rapidly in recent years, with a focus on farming Atlantic salmon, shellfish, and other finfish. The industry has become a significant contributor to the Scottish economy, providing jobs, supporting local communities, and generating export revenues. **Scottish ports have a unique advantage in aquaculture due to the country's vast coastline and suitable water conditions.**

Scottish ports, such as Oban and Lochinver, have established themselves as major hubs for salmon farming. Ullapool and Stornoway have ideal conditions for cultivating seaweed – the Scottish seaweed industry is still in its early stages, but there is significant potential for growth in this sector. Ports can also provide the infrastructure and services needed to support aquaculture operations, such as fish processing and storage facilities, as well as equipment and fuel supplies. For example, the Port of Scrabster in Caithness has a range of facilities that support the aquaculture industry, including a fish market, ice plant, and refrigeration units.

Scottish ports can also play a role in driving innovation in aquaculture technology. For example, the European Marine Science Park near Oban is home to a number of companies and research organisations that are developing new technologies for the aquaculture industry, such as underwater cameras, fish feed systems, and marine sensors.

To meet the demand for fresh and perishable aquaculture products, Scottish ports are exploring the concept of “just in time” boat services. These services aim to minimise inventory and storage requirements by providing scheduled and frequent departures to European markets, which have otherwise had their aquaculture product imports delayed by post-Brexit border bottlenecks. Scotland’s ports can offer shorter transit times and improved logistical efficiencies compared to other regions around the UK.

Scottish Energy Ports Directory

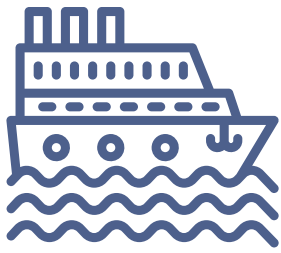


The BPA, in partnership with Highlands and Islands Enterprise and Scottish Enterprise, built a Scottish Ports Directory aimed at the energy industry. This searchable database allows businesses to examine and compare ports based on a range of attributes, providing accurate and updated information for individual ports.

The portal aims to promote Scotland’s port and harbour strengths and capabilities to encourage new investment and jobs in the offshore energy sector. The directory features a number of sites across Scotland spanning the entire offshore energy sector, from marine renewables and offshore wind to oil and gas and decommissioning. Information is updated by the BPA on behalf of ports. Participation in this directory is free, open to all Scottish ports, and can be accessed at energy.scottishports.org.uk.



INDUSTRIES SUPPORTED BY SCOTTISH PORTS



Cruise

The Scottish economy receives an estimated GVA of £23 million from the Scottish cruise industry, which provides employment opportunities for over 800 people¹⁹. Annually, more than 140 cruise ships visit Kirkwall and Stromness, making the Orkney Islands the top cruise ship destination in the UK.

In 2023, the Forth Ports' Capital Cruising business on Scotland's east coast is projected to experience a significant increase in cruise ship calls. The number of cruise ships visiting Edinburgh, Fife, and Dundee is expected to rise by 50%, reaching approximately 150 vessels compared to 100 in 2022. These cruise ships are estimated to carry around 225,000 passengers, indicating a substantial boost in tourism for the region²⁰.

Scottish ports are working hard to ensure that they can accommodate the growing demand for cruise ships. **In recent years, many ports have invested in upgrading their infrastructure, including the construction of new cruise terminals and the dredging of berths to accommodate larger ships.** For example, a new deep water terminal in Stornoway is set to become operational by 2024. It will be able to host cruise ships of up to 360 meters (1,181 feet) in length, which means it will have the capacity to cater to the vast majority of the world's cruising fleet. Clydeport have further developed their cruise facilities in Greenock and the new south harbour at Aberdeen creates additional capacity for cruise visits.

The cruise industry also provides significant benefits to local communities. Cruise passengers typically spend money in local businesses, supporting the local economy.



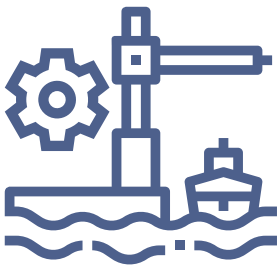
Recreational Sailing

Leisure yachting is not a significant contributor to the Scottish ports industry in terms of cargo handling and commercial activities. **However, it is an important sector of the Scottish tourism industry, which contributes to the local economies of coastal towns and villages where yachting is popular.**

Scotland's coastal waters and islands offer a diverse range of sailing opportunities,

and many yachts and sailing boats visit Scottish ports and marinas each year. Some of the popular sailing destinations include the west coast islands such as Skye, Mull, and Islay, as well as the east coast ports of Aberdeen and Dundee.

Yachting also provides indirect economic benefits to local businesses such as restaurants, hotels, and tourist attractions. Additionally, many yachts and sailing boats require maintenance and repair services, which may be provided by local marine businesses in the ports.



Shipbuilding

Shipbuilding has been historically important to the Scottish ports industry, with several ports in Scotland having a strong tradition in the industry, such as in Aberdeen, Glasgow, Greenock, Leith, and Rosyth. The industry is mainly focused on producing and providing assistance to naval ships and specialised vessels that cater to specific and complex markets.

The UK government has announced that it will order five more Type 26 frigates, worth £4.2 billion, from BAE Systems to be built on the Clyde in Scotland, supporting 1,700 jobs across its shipyards and another 2,300 jobs in the supply chain across the UK for the next decade. The construction of the frigates will create and support jobs in shipyards in Govan and Scotstoun, which are both located in Glasgow, and in the wider supply chain across the UK.



Cleaning

Ship cleaning is an important service that is required by ships to maintain their hulls and ensure their smooth and efficient operation. Hull cleaning is particularly important for ships that spend a significant amount of time in the water as marine fouling, such as barnacles and algae, can accumulate on the hull and increase drag, resulting in higher fuel consumption and reduced speed. Regular hull cleaning can help ships to maintain their efficiency and reduce their operating costs.

Scottish ports offer a range of ship cleaning services, including hull cleaning and other maintenance services, which can generate revenue and create employment opportunities for local businesses.

Scottish ports and the ship cleaning industry are subject to strict regulations and guidelines regarding the disposal of waste materials and the use of cleaning agents. The Scottish Environmental Protection Agency (SEPA) is responsible for enforcing these regulations to ensure that ship cleaning is conducted in a safe and environmentally responsible manner.

STRATEGIC ASKS

If ports are to thrive, they rely on a number of key enablers, including infrastructure and grid/power capacity, technological advancements, a supportive regulatory framework, and a pipeline of skills and expertise. In addition to the **BPA views** throughout the document, below are a number of longer-term industry asks to keep the industry thriving in the decades ahead.

To see the BPA views on:

Jobs and Labour	Page 10
Port Regulators	Page 12
Offshore Wind	Page 18
Green Freeports	Page 22
Coastal Shipping	Page 22

road and rail connections to ports, particularly around last mile connections. These often minor roads connect ports to the wider strategic network and are under the responsibility of local authorities, which have in recent years received less money from central government.

A multimodal approach to freight movement will also be important in reaching Scotland's net zero targets. Therefore, where possible, the BPA values investment in rail freight capacity as this can significantly reduce congestion on the road network and make a real impact to emissions and air quality.

Transport Connections

Good transport connectivity, including road, rail, and waterway connections, is essential for ports to thrive. Access to major transportation networks allows for efficient movement of goods and materials, facilitating trade and attracting businesses to the port. Ports are ultimately constrained by their transport connections and how efficiently they can help move goods from a to b.

According to calculations produced for the BPA by Port Centric Logistics and Partners, 70% of landside UK port freight enters and leaves ports by road²¹. Priority should therefore be given to the funding of

Shore Power & Grid Connections

Ports play a crucial role in logistics and supply chains and can have a significant impact on efforts to reduce emissions in the freight industry. They can contribute to the decarbonisation efforts of industry and support the adoption of cleaner energy sources. Shore power, depending on the source of electricity used, has the potential to be an effective tool for achieving public policy targets such as the UK and Scottish Governments net zero goals.

Shore power is the provision of electricity to ships berthed alongside in port. It is often sourced from the grid but could be from an off grid source, such as an offshore wind turbine. The use of shore power leads to a substantial decrease in air emissions while the vessels are docked. Although it is necessary to consider emissions from both ports and ships within ports, reducing emissions of greenhouse gases and other air pollutants is a top priority for the industry.

The installation of shore power requires significant capital investment in infrastructure, including electrical substations, cabling, and connection points. The high cost of this infrastructure can be a barrier for some ports, particularly smaller ports with limited financial resources.

Grid connections can be another potential barrier, as ports need to have the necessary grid infrastructure and capacity available. However, existing grid infrastructure may not be sufficient to support the additional load required for shore power. This can create technical and financial challenges for ports looking to install shore power, as they may need to upgrade or expand the local grid infrastructure to support their needs.

While it is crucial to address air emissions from ships that are harmful to human health in coastal areas, ports, and during berthing, the majority of these emissions occur at sea, with an average of 16% of ship emissions occurring at birth²². However, the situation regarding emissions in different ports can vary significantly, making a blanket regulation inefficient for tackling this issue.

Sharing Information & Collaboration

Ports are eager to capitalise on the huge opportunities offered by the growing offshore wind industry. Offshore wind developers must work closely

with ports, keeping them well-informed about their requirements to maximise benefits to all parties.

By sharing their specific requirements with the ports, developers can ensure that the necessary port infrastructure is in place to handle the installation, maintenance, and logistics associated with offshore wind farms. This collaboration can result in cost savings, streamlined operations, and increased efficiency throughout the project lifecycle.

Furthermore, collaboration amongst ports themselves can help them leverage collective strengths. For example, some ports may have limits in terms of their depth, accessibility, or available land. By working together, ports can complement each other's capabilities and create a network of specialised facilities. This division of labour will improve utilisation of resources, reduces the duplication of efforts, and positions Scotland as a cohesive and attractive option for offshore wind developers.

Skills of the future

As Scotland's economy decarbonises, new green skills and jobs will be needed. Ports must be able to access the talent needed to drive business growth in new sectors, as well as provide those already in the industry with new skills and re-training. The sector is conscious of this skills shift and works through the Merchant Navy Training Board, Maritime UK, and the Maritime Skills Commission, to create a pipeline of talent.

The Scottish Government can help in this by helping raise awareness of careers in the ports and wider maritime sector and encourage schools to offer maritime courses by introducing maritime qualifications in school league tables. It can also support lifelong learning measures to help individuals already within the sector to adapt to growing technologies.

DIRECTORY FOR BPA SCOTTISH PORTS GROUP MEMBERS



For more information on our Scottish Ports Group Members please visit the membership directory at <https://www.britishports.org.uk/>.

PORT	WEBSITE
Port of Aberdeen	https://www.portofaberdeen.co.uk
Aberdeenshire Council Harbours	http://www.aberdeenshireharbours.co.uk
ABP Ayr & Troon	http://www.abports.co.uk
Arbroath Harbour (Angus Council)	http://www.angus.gov.uk/visitors_and_tourism/arbroath_harbour
Argyll and Bute Council Harbours	http://www.argyll-bute.gov.uk/transport-and-streets/ports-and-harbours
Caledonian Maritime Assets Ltd	http://www.cmassets.co.uk/
CalMac Ferries Ltd (Harbour Operations)	http://www.calmac.co.uk
Dockyard Port of Clyde (MOD)	http://www.gov.uk/government/groups/qhm-clyde
Clydeport Operations Ltd	http://www.peelports.com/ports/clydeport
Comhairle nan Eilean Siar Harbour	http://www.cne-siar.gov.uk/harbourmaster
Port of Cromarty Firth	http://www.pocf.co.uk/
Dumfries & Galloway Council	http://www.dumgal.gov.uk/harbours
Port of Dundee (Forth Ports Ltd)	http://forthports.co.uk/
Eyemouth Harbour	http://www.eyemouth-harbour.co.uk/
Forth Ports Ltd	http://forthports.co.uk
Fraserburgh Harbour	http://www.fraserburgh-harbour.co.uk/
Port of Glensanda	http://www.aggregate.com
Highland Council Harbours	https://highland.gov.uk

DIRECTORY FOR BPA SCOTTISH PORTS GROUP MEMBERS

PORT	WEBSITE
Port of Inverness	http://www.portofinverness.co.uk/
Kishorn Port	https://kishornport.co.uk/
Lerwick Port Authority	http://www.lerwick-harbour.co.uk
Loch Ryan Port (Stena Line Ports)	http://www.stenaline.com
Mallaig Harbour Authority	http://www.mallaig-harbour.com/
Montrose Port Authority	http://www.montroseport.co.uk
Moray Council Harbours	http://www.moray.gov.uk
North Ayrshire Council	http://www.north-ayrshire.gov.uk
Northern Lighthouse Board	http://www.nlb.org.uk
Orkney Islands Council Marine Services	http://www.orkneyharbours.com
Perth Harbour	http://www.perthharbour.co.uk
Peterhead Port Authority	http://www.peterheadport.co.uk
Renfrewshire Council	http://www.renfrewshire.gov.uk
Scrabster Harbour Trust	http://www.scrabster.co.uk
St Andrews Harbour Trust	http://www.standrewsharbourtrust.org/
St Margaret's Hope Pier	https://www.orkneycommunities.co.uk/SMHPIERTRUST/
Stornoway Port Authority	http://www.stornoway-portauthority.com/
Shetland Islands Council	http://www.shetland.gov.uk/ports
Talbert (Loch Fyne) Harbour Authority	http://www.tarbertharbour.co.uk/
Tobermory Harbour	http://www.tobermoryharbour.co.uk/
Ullapool Harbour Trustees	http://www.ullapool-harbour.co.uk/
West Dunbartonshire Council	http://www.west-dunbarton.gov.uk
Wick Harbour	http://www.wickharbour.co.uk

Endnotes

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- 22 Arup. 2018. Shipping, Ports And Air Quality. UK Major Ports Group.

* GVA (Gross Value Added) is the measure of the economic value generated by an industry and is defined as the difference between output and the cost of production.



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ASSOCIATION