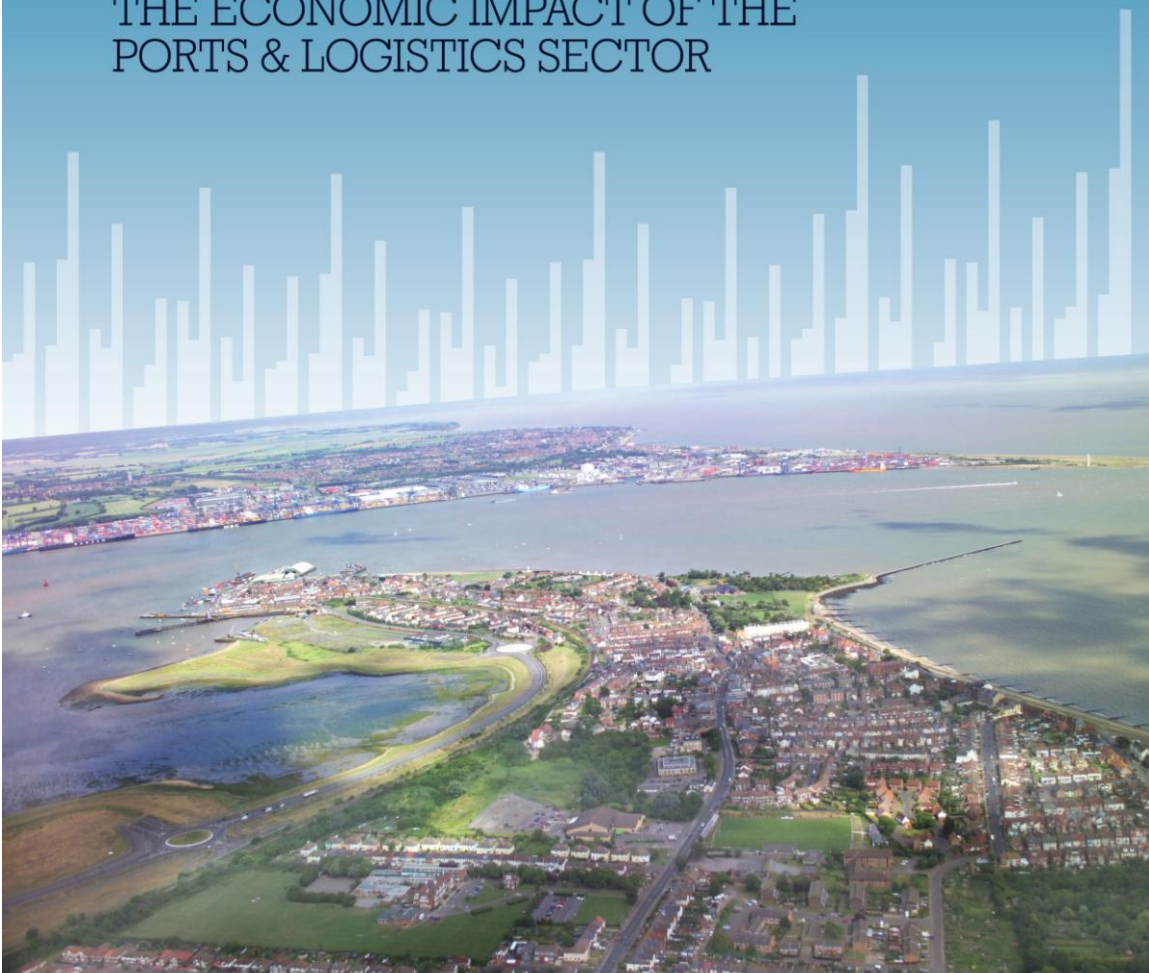




DRIVING THE HAVEN GATEWAY FORWARD

THE ECONOMIC IMPACT OF THE
PORTS & LOGISTICS SECTOR



Report on the economic impact on the Haven Gateway area of the transport, ports and logistics industry

Table of contents

Executive summary

1 Background

2 Research approach

2.1 Primary research

2.1.1 Industry information

2.1.2 Fieldwork

2.2 Secondary research

2.2.1 Office for National Statistics; Department for Transport

2.2.2 Other desk research

3 Findings

The scope of the industry, and the recession

The industry in the Haven Gateway area

3.1 Transport, ports and logistics employment in the Haven Gateway area

3.1.1 Core road freight transport and sea transport activities

3.1.2 Transport, ports and logistics, including passenger transport; wholesale trades

3.1.3 Transport and logistics occupations in other industries

3.1.4 Local economies – employee numbers

3.1.5 Transport, ports and logistics; wholesale trades - business enterprises

3.2 Ports traffic

3.2.1 Passenger traffic, and ferry movements

3.2.2 Foreign and domestic traffic

3.2.3 Ports developments

3.3 Transport, ports and logistics – valuing the industry in the sub-region

3.3.1 Salaries and earnings

3.3.2 Business turnover

3.3.3 Passengers' spending

3.3.4 Spending on local services

3.3.5 Spending by the transport, ports and logistics' workforce

3.3.6 New sources of income

- 4 Summary
 - 4.1 Size of the sector
 - 4.2 Businesses in the sector
 - 4.3 Value of the sector – company turnover
 - 4.4 Salaries and earnings; spending power
 - 4.5 Sector spending on other services
 - 4.6 Employment in other sectors

- 5 The future
 - 5.1 Transport, logistics and road freight employment
 - 5.2 Current ports' traffic; Port of Felixstowe and Bathside Bay
 - 5.3 Passenger transport and associated sectors
 - 5.4 Land freight
 - 5.5 Economic benefits

Bibliography

Appendices

Executive summary

The Haven Gateway Partnership commissioned research in September 2009 to review the strength of the transport, ports and logistics sector and its value to the local economy. This research was designed to provide additional evidence in the evolution of the Dryport initiative. This is a three-year public/private sector European project looking at the design and development of potential dryports and their integration with the freight-handling systems of the sea port facilities they could serve.

The aim was to discover the employment levels and economic value resulting from both freight and passenger transport businesses in the six district council areas. Many of the largest businesses operating in the Haven Gateway area in the sector provided information on turnover, salaries, and spending on local services. All data was restricted to operations and employment in the Haven Gateway area.

The Haven ports – particularly Harwich International Port – generate passenger traffic which passes through the Haven Gateway to and from the ferries and cruise liners. A survey was conducted with passengers to discover the level of spending locally on overnight accommodation, meals, fuel, and other purchases prior to boarding.

A total of 32,200 employee jobs can be attributed directly to the transport, ports, logistics and wholesale trades sectors, and transport and logistics occupations in other sectors. This is 11.3 per cent of Haven Gateway employees. Within this total, there are 14,800 people employed in road freight and sea transport activities, and half of these are in Suffolk Coastal. 4,800 people are employed in freight transport by road. There were 1,215 transport businesses in the Haven Gateway area in 2009, and a further 1,190 in the wholesale trades sector. The highest concentration of transport businesses is in Suffolk Coastal, including a high concentration of businesses on the A14 corridor from Felixstowe through to the outskirts of Ipswich, as well as the smaller water transport businesses stretching up the east coast. Colchester has the next highest number of transport businesses, usually located in areas close to the A12.

Various methods were used to calculate a collective company turnover for the transport, ports and logistics industry in the Haven Gateway. An estimate of annual turnover for transport, ports and logistics sector operations based in the area is £2.2 billion. Transport Intelligence estimated the UK distribution sector, which includes wholesale trades as well as transport and logistics, has a turnover of £86.54 billion. The estimate for the Haven Gateway distribution sector turnover is £3 billion.

The salary bill for the 32,200 transport, ports and logistics and wholesale trades' employees is likely to exceed £1.1 billion annually including on-costs, with transport, ports and logistics sector salaries approximately 20 per cent above the average for the

area. The take-home pay collectively for those employees in the Haven Gateway area is likely to be about £740 million. An analysis of the after-tax spending power of the 32,200 sector employees suggests that they probably support a further 10,000-12,000 jobs in other industries in the Haven Gateway area.

Extrapolating from data gathered directly from 22 of the larger transport, ports and logistics companies, and from other supporting research, it is likely that the spending on services by the sector as a whole – in the sub-region – could exceed £100 million per annum, with about 30% of this spent within the transport, ports and logistics sector itself. The business-to-business spending by transport, ports and logistics sector companies in other industries is likely to create an additional 1,000 jobs in the sub-region. Finally, there is the spending power of passengers using the ports. This was estimated as about £14.3 million per annum on local services (not fares). On this basis, it was estimated that another 150-200 service sector jobs, beyond the direct workforce, result from passenger traffic moving through the ports.

The transport, ports, logistics and wholesale trades businesses play a pivotal role in the economy of the sub-region, and their presence in the locality sustains around 45,000 jobs in the sector itself and in all the supporting service industries. This figure does not include the public-sector jobs in health, education and local government administration that provide services to this workforce.

1 Background

The Haven Gateway Partnership commissioned research in September 2009 to review the strength of the transport, ports and logistics sector and its value to the local economy. This research was designed to provide additional evidence in the evolution of the Dryport¹ initiative.

2 Research approach

Two tasks were undertaken as primary research.

The economic value of the industry was assessed using information directly gathered from industry interviews. The interviews provided a base on which to calculate total salaries paid to sector employees in the sub-region, and to estimate a collective sector turnover.

Secondly, the research sought to discover the spending pattern of passengers using the ports, and field work was carried out with a sample of car and foot passengers passing through Harwich International Port.

The two secondary research tasks were concerned with statistical analysis, and a review of documents and press releases publicly available. The recently-formed Shipping and Logistics Support Alliance (SaLSA) - based in the sub-region - assisted by providing estimates of the size of the market for support services to the shipping and logistics industry. Other bodies, such as the sector skills council, gave information on industry trends.

2.1 Primary research

2.1.1 Industry information

Contact was made with many of the largest businesses operating in the Haven Gateway area and information was gathered on three key indicators.

¹ Dryport is a three-year public/private sector European project with core partners drawn from the ports and logistics sector and from local authorities representing important logistics areas. Partners include the region of Västra Götaland, in Sweden, the Haven Gateway, Babergh District Council, the Port of Gothenburg, Sweden; Falköping Kommun, Sweden; the Port of Zeebrugge, Belgium; West Flanders Chamber of Commerce; Gemeente Emmen, the Netherlands; the Province of Friesland, the Netherlands and SEStrans / TRI Napier, Scotland. Dryport partners are looking at the development, design and effective operation of dryports that are fully integrated with the freight-handling systems of the sea port facilities they serve.

As a result of information requests and interviews with senior staff, data was obtained from the port operators, the main freight forwarders, all the train operating companies transporting freight (including container traffic) in and out of the area, large shipping lines, larger road freight companies, the principal software systems provider, and the main towage company operating in the ports.

Twenty-two of the larger businesses operating in and around the port provided information on:

- turnover
- salaries, and
- spending on local services.

All data was restricted to operations and employment in the Haven Gateway area. This was a particularly important consideration with regard to multi-national companies.

The information on these key indicators has been collated and the findings are presented for the sector as a whole, and no individual company's evidence is identified within the report.

2.1.2 Fieldwork

The Haven ports – particularly Harwich International Port – generate passenger traffic which passes through the Haven Gateway en route to the ferries and cruise liners. The report sought to discover the level and range of spending in other sectors in the Haven Gateway by passengers. A simple questionnaire was issued to passengers at Harwich International Port; port management and staff assisted by providing access to customers and thus gave added credibility to the survey process. The questionnaire asked passengers to indicate, through tick-box questions, the level of spending locally on overnight accommodation, meals, fuel, and other purchases prior to boarding. The results were collated and analysed to provide an average spend per head. Informal feedback was also gathered on the potential for increasing expenditure by this cohort of passengers in the Haven Gateway area. The passengers surveyed were travelling either to Holland or Denmark.

2.2 Secondary research

2.2.1 Office for National Statistics; Department for Transport

The Office for National Statistics' Annual Business Inquiry data was used to provide a picture of the level of employment in the sub-region. The 2007 data was the latest available at the time of the report. The data is subject to reporting restrictions, and

information presented in the tables is “rounded”, or in some cases left blank where the sample sizes are insufficiently robust.

The volume of traffic through the ports is also taken from the latest available statistics - published by the Department for Transport in late September 2009 for calendar year 2008. Data tables were selected and information regarding Haven Gateway ports was extracted for this report. Some of the tables chosen show trend data for the last 9 years.

2.2.2 Other desk research

To complement the turnover information provided by some of the largest businesses in the area, an analysis of company reports was conducted. A further 246 sector companies that had operational capacity in the Haven Gateway were reviewed. Turnover figures for multi-site operations were scaled down proportionately, and the estimates made were intended to cover only the Haven Gateway aspect of the business. It should be noted that a number of multi-national businesses have chosen to operate head office functions from the Haven Gateway area.

Various other data sources were used including Transport Intelligence, and Key Note which are specialists in market intelligence. Kompass maintains a directory of company information including financial turnover figures and human resource information. This was used as a reference work.

Support was received from the Shipping and Logistics Support Alliance and one of its founder members, Larking Gowen Chartered Accountants. Larking Gowen conducted an analysis of shipping, transport and logistics companies registered at Companies House within IP and CO postcodes to determine companies' turnovers. From this information, estimates of the potential market for accountancy services by the industry were made. This was part of the general review of the broader market for services created by the transport, ports and logistics industry.

3 Findings

The scope of the industry, and the recession

A broad definition of the distribution industry is one which includes all modes of freight transport including all the supply chain elements that progress raw material to manufacture, and the movement of the finished goods to the ultimate consumer. Freight transport includes road, rail, pipeline, sea and air. The supply chain functions include cargo handling and storage, freight forwarding and port/airport facilities. The Standard Industrial Classifications of these activities are noted in Appendix 1, and form the basis on which the research findings were collated.

The concentration in this report is on operations in the Haven Gateway Partnership area, so air freight and pipeline transfers are not included, but the national estimates quoted here include all aspects of the distribution process.

Key Note – a market intelligence company – has produced several reports² on the industry nationally. It estimated, in its 2007 report, that the UK distribution market was worth £74.45 billion in 2006. Its latest report (2009) suggests the figure for the turnover of all UK companies operating in the sector was £86.54 billion. Key Note acknowledges in the 2007 report that there is some element of double counting as the ports, for example, handle the same goods as transport principals. Nevertheless, the size of the business shows it to be a major part of the UK economy.

Key Note's sub-sectoral reports are of importance to the Haven Gateway because they look at Freight Forwarding – an important local business segment – and Road Haulage. The *Freight Forwarding* report (2009) estimates the UK market for international freight services was worth an estimated £20.4 billion in 2008. It says that £15.98 billion was attributable to freight forwarding and related services (storage, warehousing and cargo handling). The other part of the international freight services sector is the freight operations of air, rail, sea and road transport companies. Key Note suggests sea transport is the best performing mode and rail much improved from a very low base.

Road Freight Statistics 2008, published by the Department for Transport (October 2009), show that "Freight moved by GB-registered heavy goods vehicles within Great Britain decreased by 6 per cent between 2007 and 2008, from 161 billion tonne kilometres to 152 billion tonne kilometres. The amount of freight lifted in 2008 (1,734 million tonnes) was 7 per cent below 2007 (1,869 million tonnes), but 6 per cent higher than 1998." It

² Key Note, *Distribution 2009; Freight Forwarding 2009; Road Haulage 2009; Distribution 2007*; England.

notes that while there was a decline between 2007 and 2008, Gross Domestic Product actually rose by 1 per cent.

Transport Intelligence, another research company which specialises in sector trends, also discusses topics covered in the four Key Note reports. These are: industry consolidation, European and international trends, legislative changes, the impact of recession, and, for the longer term, green policy initiatives.

All of these issues could have an effect on business for companies operating in the Haven Gateway. Although Skills for Logistics notes that “a large majority (84%) of the workplaces in the sector employ less than 10 people” in the East of England, the macro industry trend over the last 15 years, according to Transport Intelligence, has been for takeovers and mergers in the transport and logistics industry leading to bigger and fewer players operating across a wider geographic reach. Concomitant with this trend has been the trend for single businesses to offer a full service package which includes some or all of: logistics, IT solutions, freight forwarding, warehousing, cargo handling, transportation (sea, road, rail, air), and intermodal.

It is worth noting that a PwC report commissioned by Transport Intelligence shows a market decline in merger and acquisition (M & A) deals in 2009. PwC says the industry worldwide saw 189 deals worth a total of \$96 billion in 2008. By contrast, year-on-year figures to 30 June 2009 had seen only 31 deals with a total value of \$4.5 billion.

Consolidation in the global logistics market is likely to resume, and multi-service offers by providers will continue to grow. Haven Gateway companies will need to manage with an eye on these trends.

Changes in the world picture are also important for Haven Gateway companies – they bring opportunities and threats. The European market has changed with the accession countries increasing the number of EU member states to 27, and other applications are pending. Earlier in the decade, growth in China’s exports had fuelled an increase in shipping capacity, particularly through ever larger container ships. Both Transport Intelligence and Key Note have published briefing notes recently trying to measure the recession-inspired decline in the market through 2008 and 2009. John Manners-Bell suggested that there was a 19% decline in road freight leaving Great Britain for Europe in the second quarter, 2009, compared with the same period in 2008. He does, however, see improvements in production which will feed into increased demand for road freight transport. Most of the commentaries suggest a stabilisation in the broader economy in 2010, but full recovery in the distribution sector not materialising for some until 2011; others suggesting it will be as late as 2013. Already it is anticipated that the China

growth³ story, which has not stopped, will push forward faster early in 2010, and the infrastructure needed to berth super-sized container ships will not abate.

The Department for Transport provides a statistical impression of the impact of the recession through its quarterly reports on ports' traffic. Unfortunately it only publishes local figures approximately 9 months after the year end. However, it does publish UK figures relatively quickly, where they are submitted by the ports in time for compilation. The latest figures up to 30 June 2009 for the UK show the impact of the recession. DfT says that "Total port traffic for the year to Q2, 2009, was 7 per cent down on the four quarters ending Q2, 2009. Inward traffic was down 8 per cent and outward traffic down 6 per cent. The number of units⁴ handled was down 11 per cent. Inward traffic was down 14 per cent and outward traffic down 8 per cent."

The impact on the market owing to the recession is important, because commentators are suggesting that small and medium-sized companies may be squeezed out, as larger companies can survive through leaner times and increase market share as smaller operators go out of business. The transport and logistics industry in the Haven Gateway is a mixed economy from multi-national companies through to small haulage companies and is subject to these trends.

The other significant issue in the global market place is the emphasis on more effective management of energy consumption and carbon emissions in the movement of goods. There is potential for larger organisations with a comprehensive overview of the supply chain to manage the issues more effectively than either smaller companies, or separate service operators. A full discussion of these issues on the long-term development of the industry is being made available in PricewaterhouseCoopers' *Transportation & Logistics 2030*.

Finally, there are changes in European legislation on cabotage⁵ that will impact on UK operators. The progressive liberalisation of the rules on cabotage between 2009 and 2014 will enable lorries registered elsewhere in the EU to operate in the UK without restriction by 2014. In the interim, 3 journeys can be made over a 7-day period, increasing after 2011 to 7 journeys. Where the prevailing market price for diesel fuel on mainland Europe remains lower than in the UK, it is more likely that other EU countries'

³ Bloomberg, 1 December 2009, reported China's monthly GDP growth now the highest since 2004.

⁴ Units includes all roll-on roll-off units whether carrying freight or not (road goods vehicles, unaccompanied trailers, ship borne port-to-port trailers, passenger vehicles, trade vehicles, and other Ro-Ro units) and lift-on lift-off containers.

⁵ Cabotage is the haulage of goods between two points in the same country. Journeys where a haulier picks up a load and deposits it entirely within another country were generally prohibited under bilateral agreements.

companies will take advantage of the liberalisation in the market than will UK-based companies.

Summary:

The distribution industry in the UK was worth £86.54 billion in 2008. It employed 2.67 million people in Great Britain (10.1% of workplace employees) in 2007. International freight services was worth an estimated £20.4 billion in 2008. Industry evidence shows a temporary slowing in sector consolidation, but the increasing trend for integrated service offers continues. The recession has impacted on UK ports with overall traffic down, on an annual basis, at the end of the second quarter 2009 by 7%. Looking forward, companies will need to continue to work towards better management of energy and carbon emissions, and UK-based companies will need to handle the threats and opportunities posed by the EU's liberalisation of the rules relating to cabotage.

.....

The industry in the Haven Gateway area

Hutchison, in a Port of Felixstowe publication⁶, estimates that “over 17,000 people make their livings through some connection with the ‘Haven Ports’ – Port of Felixstowe, Harwich International, Harwich Navyard, Ipswich and Mistley”. The definition used in this Impact study includes Brightlingsea. The study also covers transport and logistics across the six district council areas, not just the activity conducted in the immediate vicinity of the ports.

The first part of the findings will show the composition of the workforce using data sourced from the Office for National Statistics (ONS). The second part uses selected data from the Department for Transport to show the volume of traffic passing through the ports. Finally, the third part will bring together the results of local research to formulate the value of the sector to the sub-region.

There are several different ways in which the transport, ports and logistics sector impacts on the Haven Gateway area:

1. the employment provided by the industries in each sub-sector, and the spending power of the employees;
2. the employment derived from the upgrading of infrastructure;
3. the employment in other sectors that serve the transport, ports and logistics sector e.g. legal practices, marine insurance, and accountancy; and

⁶ *A World of Opportunity – Careers at Port of Felixstowe (2008)*

4. the ports as an access route to other sea-based activity: fishing; oil and gas exploration; and energy creation through wind farms, and other renewable energy sources.

The report will provide information about the proportion of the sub-region's workforce benefiting from the presence of the industry and its value.

The report is concerned with the importance of the industry to the sub-region in the medium to long term. The recession has had an impact on the volume of business conducted in the sub-region, but there is an expectation that a return to trend will take place. One industry specialist interviewed - discussing the region - knew of two haulage businesses that had gone out of business, and another two that had been bought out of liquidation. Other transport businesses had also been forced to change their business models. For some, the decline – evident from the DfT statistics cited above – in container traffic had significantly reduced margins. For others, the decline in the number of retail outlets on Britain's high streets had significantly reduced the number of service deliveries required. Also, although the national and international trend is for integrated, multi-service offers, this specialist still saw many single-service companies in the sub-region, with haulage companies, for example, lacking the capital or expertise to branch out and include warehousing and storage in their portfolio.

.....

3.1 Transport, ports and logistics employment in the Haven Gateway area

In this section, the latest Annual Business Inquiry data (2007) is used to show the number of employees, by workplace, in the transport and logistics industry in the Haven Gateway area.

The information is presented in the following ways:

- Core road freight transport and sea transport activities
- Transport, including ports, and logistics, including passenger transport
- Transport and logistics and wholesale trades
- Transport and logistics occupations in other industries
- Local area employees – integral to the ports operation, including, for example, hospitality trades.

3.1.1 Core road freight transport and sea transport activities

Table 1 provides a picture of employment in core road freight and sea transport activities only by district council area. Table 2 shows the same information categorised by industry

sub-sector across the Haven Gateway Partnership area. These tables cover employees serving passengers using sea transport as well as freight operations. This narrow definition of workforce employees is just over 5 per cent of the employees in “all sectors” in the HGP area.

Table 1 Core road freight and sea transport activities - numbers employed, 2007, by district council area.

District council area	Employees
Babergh	600
Colchester	800
Ipswich	2,400
Mid Suffolk	1,900
Suffolk Coastal	7,000
Tendring	2,100
Haven Gateway total	14,800

Source: Annual Business Inquiry (ABI) - workplace analysis 2007 - ONS Crown Copyright Reserved (September 2009)

Table 2 Core road freight and sea transport activities - numbers employed 2007, by industrial classification

Sub-sector	Employees
Freight transport by road	4,800
Sea and coastal water transport	1,100
Inland water transport	*
Cargo handling	*
Storage and warehousing	1,500
Other supporting water transport activities	3,500
Activities of other transport agencies	3,200
Courier activities other than national post activities	500
Haven Gateway total	14,800
Percentage of all employment in HGP area	5.2%

Source: ABI 2007 - ONS Crown Copyright Reserved (Sept. 2009)

3.1.2 Transport, ports and logistics, including passenger transport; Wholesale trades

There are three further elements integral to the transport sector in the Haven Gateway area. Firstly, employee numbers for land passenger transport and the renting of vehicles have been added. Secondly, boat building and repair have been included – which though relatively small in employee numbers – contribute to the local transport economy. Finally, the Sector Skills Council – Skills for Logistics⁷ – considers the Wholesale sector as part of its workforce *footprint*. In table 3, the scope of the enquiry has been extended to include the first two additional elements. In table 4, the wholesale sector has been added.

Table 3 Transport, ports and logistics, including passenger transport, and boat building and repair

District council area	Employees
Babergh	900
Colchester	1,800
Ipswich	3,300
Mid Suffolk	2,100
Suffolk Coastal	7,400
Tendring	2,600
Haven Gateway total*	18,200

Source: ABI 2007 - ONS Crown Copyright Reserved (Sept. 2009)

*Totals may not sum due to rounding

Table 4 Transport, ports and logistics, and Wholesale trades

District council area	Transport	Wholesale	Total
Babergh	900	1,700	2,600
Colchester	1,800	2,800	4,600
Ipswich	3,300	2,000	5,300
Mid Suffolk	2,100	1,600	3,700

⁷ Skills for Logistics does not represent the rail freight or land passenger transport sub-sectors. They are covered by Go Skills.

Suffolk Coastal	7,400	1,300	8,700
Tendring	2,600	1,100	3,700
Haven Gateway total*	18,200	10,500	28,700
Percentage of all employment in HGP area	6.4%	3.7%	10.1%

Source: ABI 2007 - ONS Crown Copyright Reserved (Sept. 2009)

*Totals may not sum due to rounding

3.1.3 Transport and logistics occupations in other industries

The other element which has not been included is logistics occupations within other companies. Our primary analysis is by workplaces within the sector. However, Skills for Logistics, in its East of England analysis⁸, has increased its estimate of the sector total by one third to include people in logistics occupations working in other sectors. Within its sector footprint – in the East of England – it estimated 186,700 people were working in the transport and logistics sector and a further 64,300 were carrying out logistics occupations in other industries. A similar analysis for the Haven Gateway area using the same source – the *Annual Population Survey* – would have been useful. Unfortunately, the Office for National Statistics suggests the occupational data at the level required - by district council area - is not sufficiently robust for the task. Many organizations outside the sector, such as retailers, have employees carrying out logistics occupations, so there is scope for making an adjustment to the workforce size for the Haven Gateway area.

Adapting the Skills for Logistics' approach, by reference to table 1 (above), an additional 3,500 workplace employees could be included in the overall calculation of sector-related jobs. The uplift is based on land freight-related occupations, but not including a proportionate increase for water transport jobs. By adding this uplift figure to the information from table 4, the transport, ports and logistics sector and *sector-type* occupations increases to 32,200 employee jobs.

3.1.4 Local economies – employee numbers

Local area employees – integral to the ports operation, including, for example, hospitality trades

As well as direct employment in the sector, plus the additional jobs in logistics occupations, there is a further employment category to be considered. Within the port

⁸ Skills for Logistics, *Logistics Sector Profile: East of England, 2009*

operations themselves, additional trades are required as an operational necessity. Very specifically, there are bars and restaurants within the confines of the port areas. Also, there are the border agency / customs staff, as well as general security staff. Ward-by-ward analysis of the locations where the three main port operations (Felixstowe, Harwich and Ipswich) are centred shows that approximately 800 further jobs are integral to transport operations. By adding these to the 32,200 jobs already defined, it gives a total of 33,000 employee jobs that can be attributed directly to transport and logistics activities. This is 11.6 per cent of Haven Gateway employees.

Local economies – employee numbers

The following data has been compiled from a mixture of ABI statistics and primary research with companies in the area.

- **Felixstowe**

The Port of Felixstowe area extends primarily across two wards: Felixstowe West and Felixstowe South. A closer analysis shows that there are 5,800 people directly employed in the transport and logistics industry in these two wards, and if we add in those employed in the hospitality industry in this locality, the figure rises to 6,200. Restricting the analysis to ports and logistics related industries, but extending the local area to include all five Felixstowe wards, plus Nacton and Trimleys with Kirton, and thus including several freight transport operators, the workforce increases from 5,800 to 7,100.

Cross-referencing the different tables, it will be seen that the seven wards mentioned have a higher number of employees related to transport and logistics operations than Suffolk Coastal as a whole. This is because in the general analysis of the district council areas, we have restricted the SIC codes to workplace employment that is within a narrow industry definition. In the immediate ports areas we have included staff related to port operations such as customs/border agency roles.

- **Mistley**

In the three wards around Mistley, there are about 300 people employed in transport and logistics with around 200 of those employed in freight transport by road.

- **Harwich**

A review of the two wards which have the port and Harwich International within their boundaries shows 1,600 people in transport and port-related roles, with probably another 200 in the hospitality trades in the immediate environs of the port. In the remaining three Harwich wards there are also about another 100 people working in transport and logistics-related employment.

- **Ipswich**

This is the most difficult area in which to clearly define the numbers of employees in the transport and logistics industry. Apart from the central town area, where there is a high concentration of passenger land transport, there are two areas where freight transport jobs are concentrated: firstly in the immediate vicinity of the port, and, secondly, adjacent to the trunk road network.

With regard to the port area, we have included employment numbers for Nacton (Suffolk Coastal) with Felixstowe (above), and concentrated on the four wards of Holywells, Alexandra, Gainsborough and Bridge. Within those parameters, we have tried to estimate numbers directly connected with ports and logistics activity, and excluded fringe jobs. Alexandra ward includes ABP, as well as much of the town centre where there is a high concentration of jobs in passenger land transport. The mixture of passenger and freight as well as water-based transport jobs sums to 1,100. Local employer interviews would indicate that the 1,100 employee jobs are equally split between the port estate area and the town centre area.

In three of the wards that straddle the A14 to the west of Ipswich, we can find 1,300 jobs concentrated primarily in the road freight transport sub-sector, including cargo handling/warehousing and transport support services.

- **Colchester**

There are two parts to the Colchester picture. The passenger land transport employment by workplace is concentrated in the central area. The freight transport businesses and occupations are clustered in several wards at different points adjacent to the A12. Core freight transport jobs in the borough are around 800. The passenger land transport jobs and the travel agency and tour operator jobs inflate the total number of transport and logistics jobs total to 1,800.

3.1.5 Transport, ports and logistics; Wholesale trades - business enterprises

Table 5 shows 1,215 transport businesses in the Haven Gateway area in 2009. This is an increase of ten businesses from a year earlier (see table 6). By contrast, wholesale trades saw a net loss of 35 businesses. The highest concentration of transport businesses is in Suffolk Coastal. This includes the high concentration of businesses on the A14 corridor from Felixstowe through to the outskirts of Ipswich, as well as the smaller water transport businesses stretching up the east coast. Colchester has the next highest number of transport businesses, and, as indicated in the employee analysis above, these are often located in areas close to the A12.

Table 5 The number of VAT and/or PAYE registered enterprises 2009

	Wholesale	Transport	Wholesale and Transport	All sectors
Colchester	275	205	480	6,150
Tendring	165	180	345	4,105
Babergh	210	130	340	3,925
Ipswich	120	160	280	3,440
Mid Suffolk	225	190	415	4,635
Suffolk Coastal	195	350	545	5,190
Haven Gateway total	1,190	1,215	2,405	27,445
Percentage share of all Haven Gateway businesses*	4.3	4.4	8.8	100.0
England total	94,955	60,505	155,460	1,844,030
Percentage share of all England businesses	5.1	3.3	8.4	100.0

Source: UK Business: Activity, Size and Location – 2009 - ONS Crown Copyright Reserved (Sept. 2009)

*Totals may not sum due to rounding

The comparison between the tables for 2008 and 2009 shows that both nationally and locally there has been an increase in the number of transport and logistics businesses which is contrary to the trend for “all sectors” combined. Moreover, the Haven Gateway has a higher proportion of businesses in the transport sector than England as a whole: 4.4% compared to 3.3% for England.

Table 6 The number of VAT and/or PAYE registered enterprises 2008

	Wholesale	Transport	Wholesale and Transport	All sectors
Colchester	285	205	490	6,210
Tendring	180	170	350	4,180
Babergh	215	140	355	3,985
Ipswich	125	140	265	3,500
Mid Suffolk	220	190	410	4,725
Suffolk Coastal	200	360	560	5,275
Haven Gateway total	1,225	1,205	2,430	27,875
Percentage share of all Haven Gateway businesses	4.4	4.3	8.7	100.0
England total	96,065	56,400	152,465	1,851,200
Percentage share of all England businesses	5.2	3.0	8.2	100.0

Source: UK Business: Activity, Size and Location – 2008 - ONS Crown Copyright Reserved (Sept. 2008)

3.2 Ports traffic

3.2.1 Passenger traffic, and ferry movements

The tables in this section will show the importance of the business by reviewing the volume of activity.

Table 7 shows that 610,000 passengers passed through the Haven ports in 2008 using Ro-Ro ferries. In addition, a further 126,000 passengers either embarked or disembarked through Harwich at the beginning or end of a cruise. Not only do these passengers directly require a ports' workforce to see them on and off the ships, this cohort of almost three-quarters of a million people are likely to spend in the local economy – see section 3.3. In 2008, Harwich had almost 10 per cent of the UK cruise market, but a more modest 2.6 per cent of the UK Ro-Ro ferry passengers. Harwich is the 6th largest UK port for Ro-Ro passenger ferries in the UK. This is up two places from 2007, and an increase of 40,000 passengers from 2007 to 2008. As table 7 shows, it is third in the list of ports dealing with international cruise passengers.

In table 7, it can be seen that Harwich has gone against the UK trend and increased the number of cruise passengers embarking and disembarking at the port. In fact, there has been an increase from 1999 to 2008 of 80%. UK ports collectively have seen an overall 24% decline in cruise passenger numbers since 1999.

Table 8 shows the passenger numbers on the short ferry routes from Harwich and Felixstowe. While freight traffic has increased over the last decade, passenger numbers on the short sea ferry routes have not been robust. Overall, as table 8 shows, some passenger routes have been discontinued and the overall numbers travelling through the two Haven ports has declined by 51% from 1,252,000 in 2001 to 608,000 in 2008.

Table 7 Ro-Ro Ferry passengers using Haven Gateway Ports, and Cruise Passengers using main UK ports

	Thousands										%
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
Ro-Ro ferry passengers on short sea routes¹											
East Coast											
Ipswich	-	5	6	6	6	7	8	8	4	2	0.01
Felixstowe	78	86	80	58	19	19	19	16	15	15	0.07
Harwich	1,272	1,335	1,196	1,268	1,085	1,085	959	857	553	593	2.60
All ports of the United Kingdom	31,381	28,517	27,753	28,726	26,523	25,799	23,693	23,465	23,668	22,840	100.00
Passengers on cruises beginning or ending at UK ports¹											
All ports of the United Kingdom	445	461	469	540	702	767	935	1,013	1,064	1,341	100.00
of which:											
Southampton	211	281	295	331	438	476	637	658	716	889	66.29
Dover	136	119	100	120	139	154	141	188	175	223	16.63
Harwich	70	43	68	69	97	91	84	104	104	126	9.40
Other ports	28	17	4	20	28	46	71	64	69	103	7.68
All international passengers	31,852	29,003	28,249	29,298	27,250	26,605	24,680	24,537	24,800	24,254	

Source: Table 3.1(a) UK international sea passenger movements, by port and port area: 1997-2008. Department for Transport, *Transport Statistics Report - Maritime Statistics 2008*, September 2009, Crown copyright reserved.

1. Cruise passengers are included at both departure and arrival if their journey begins and ends at a UK seaport.

Table 8 UK international sea passenger movements by short sea ferry route: 1997-2008

	Thousands								%
	2001	2002	2003	2004	2005	2006	2007	2008	
Felixstowe - Europort	56	35	-	-	-	-	-	-	
Felixstowe - Vlaardingen	-	-	-	-	-	-	15	15	0.07
Harwich - Cuxhaven	-	95	91	116	97	-	-	-	
Harwich - Esbjerg	152	129	83	92	86	84	91	85	0.37
Harwich - Europort	-	12	37	34	39	37	33	35	0.15
Harwich - Gothenburg	-	-	-	-	-	-	-	-	
Harwich - Hamburg	163	65	-	-	-	-	-	-	
Harwich - Hook of Holland	881	968	875	843	736	736	428	473	2.07
Total Felixstowe and Harwich routes	1,252	1,304	1,086	1,085	958	857	567	608	2.66
All UK routes	27,753	28,726	26,523	25,799	23,693	23,465	23,668	22,840	100.00

Source: Based on Table 3.1(b) UK international sea passenger movements by short sea ferry route: 1997-2008. Department for Transport, *Transport Statistics Report - Maritime Statistics 2008*, September 2009, Crown copyright reserved.

3.2.2 Foreign and domestic traffic

Various tables show the volume of freight traffic passing through the Haven ports. Table 9 provides an overview. There is a marginal shift downward in the tonnage passing through UK ports as whole. For England and the Haven ports there are minor fluctuations over the 4-year period from 2005 to 2008. After a very modest rise in 2006 and 2007, the total tonnage moving through the Haven Gateway ports slipped back slightly to 31.46 million. Felixstowe dominates the local chart. In 2008, Felixstowe handled 24,988 thousand tonnes of “**all foreign and domestic traffic**”, or 4.4% of the total traffic handled by UK ports. This was marginally down on the 25,685 thousand tonnes handled in 2007. On this measure Felixstowe was ranked the 8th largest UK port – noting that all the ports ranked above Felixstowe owe their pre-eminence wholly or partly to their oil and gas traffic. When oil is taken out of consideration, Felixstowe is ranked as **third among UK ports**. It handled 24,961 thousand tonnes of “**foreign and domestic non-oil traffic**”, or 7.8% of the total handled by UK ports. Although the volume figure was down from 25,637 thousand tonnes in 2007, the port’s percentage share of UK traffic increased by 0.1%.

Felixstowe’s strength is in its dominance of the UK container traffic market. It handled 1,939 thousand units of “**foreign and coastwise container traffic**” in 2008. This was 36.8% of the total handled by UK ports, making **Felixstowe the top UK port** on this measure. It handled twice the volume of its nearest rival, Southampton. Felixstowe’s volume and share declined from 2007 when it handled 2,063 thousand units, and its share of the UK total was 38.3%. In table 11 – showing the latest international comparisons – based on 2007 figures – it can be seen that Felixstowe was 7th in the European rankings of ports handling container traffic. In 2007 there were 3.34 million TEUs moving through Felixstowe. In 2008, as the recession took hold the figure fell to 3.13 million TEUs (see additional UK tables in the Appendix).

Harwich and Ipswich had more modest shares of the foreign and domestic traffic (see table 9): Harwich 3.7 million tonnes, and Ipswich 2.6 million tonnes in 2008 – 0.67% and 0.46% respectively. Harwich handled 269 thousand units of “**foreign and coastwise road goods vehicles and trailers**” (3.8% of the total handled by UK ports), making Harwich the 8th largest UK port on this specific measure. Ipswich’s strength is in moving dry bulk goods. 894,000 tonnes of “**agricultural products**” moved through the port in 2008. This is 6% of the UK total, making Ipswich the fifth UK port on this measure. Tables 9 and 10 provide an opportunity to see the part played by the smaller ports in Haven Gateway. There is some fluctuation in business over the last decade for Brightlingsea and Mistley. More interestingly, when looking at the number of ship arrivals at Felixstowe and the tonnage involved, it can be seen that 15% fewer vessels have moved 8% more goods over the 4-year period 2005-2008 (noting that the proportions moved *in* and *out* remained virtually constant).

Table 9 Foreign and domestic traffic, by port and port group: 2005-2008

	Thousand tonnes												%
	2005			2006			2007			2008			
	In	Out	All	In	Out	All	In	Out	All	In	Out	All	
Thames and Kent													
Brightlingsea	33	86	118	25	72	97	13	90	103	30	52	82	0.01
Haven													
Felixstowe	13,911	9,233	23,144	14,747	9,623	24,370	16,157	9,529	25,685	15,129	9,859	24,988	4.44
Ipswich	2,597	981	3,578	2,380	1,125	3,505	1,908	889	2,797	1,689	883	2,572	0.46
Mistley Quay	140	16	155	122	37	160	151	23	174	149	12	161	0.03
Harwich	2,770	1,451	4,221	2,590	1,586	4,176	2,677	1,107	3,784	2,549	1,190	3,739	0.67
All Haven	19,419	11,681	31,099	19,839	12,371	32,210	20,892	11,548	32,440	19,516	11,944	31,460	5.60
All Haven and Brightlingsea	19,452	11,767	31,217	19,864	12,443	32,307	20,905	11,638	32,543	19,546	11,996	31,542	5.61
England	263,483	128,803	392,286	275,412	125,161	400,573	273,467	125,619	399,085	266,322	120,298	386,620	68.77
All United Kingdom port traffic	354,012	230,529	584,541	364,690	218,627	583,318	357,800	223,704	581,504	346,491	215,675	562,166	100.00

Source: Based on 1.3 Foreign and domestic traffic, by port and port group: 2005-2008. Department for Transport, *Transport Statistics Report - Maritime Statistics 2008*, September 2009, Crown copyright reserved.

Table 10 Ship arrivals at UK ports: 2001-2008 (number of vessels)

	2001	2002	2003	2004	2005	2006	2007	2008	%
Thames and Kent									
Colchester	1	2	-	-	-	-	1	2	0.00
Brightlingsea	54	317	890	956	1,053	557	362	565	0.43
Haven									
Felixstowe	7,568	6,013	4,758	4,406	4,253	4,380	4,007	3,603	2.76
Ipswich	1,644	1,866	2,157	2,004	1,715	1,666	1,105	1,108	0.85
Mistley Quay	101	83	90	67	82	85	91	82	0.06
Harwich	2,351	2,354	2,912	3,017	2,930	2,870	2,409	2,208	1.69
Other ports	2	-	-	2	8	39	33	33	0.03
All Haven	11,666	10,316	9,917	9,496	8,988	9,040	7,645	7,034	5.39
Haven Gateway ports	11,721	10,635	10,807	10,452	10,041	9,597	8,008	7,601	5.82
All ports of England	109,016	108,555	109,470	107,961	105,730	101,661	99,617	93,332	71.49
All ports of United Kingdom	154,434	152,927	152,896	150,108	146,182	140,908	138,272	130,551	100.00

Source: Based on Table 3.7 Ship arrivals at UK ports: 2001-2008 (number of vessels) Department for Transport, *Transport Statistics Report - Maritime Statistics 2008*, September 2009, Crown copyright reserved. 'These figures were, in turn, sourced from "Lloyd's Marine Intelligence Unit and individual ports for those vessels not counted by Lloyds. They "fall outside the scope of National Statistics" and "arrivals and types of vessel" have been excluded.'

Table 11 Largest 7 European ports: 2006, 2007 – by containers handled (Thousand TEUs)

	2006	Thousand TEU	2007	Thousand TEU
1	Rotterdam (Netherlands)	9,575	Rotterdam (Netherlands)	10,773
2	Hamburg (Germany)	8,878	Hamburg (Germany)	9,914
3	Antwerp (Belgium)	6,718	Antwerp (Belgium)	7,879
4	Bremen & Bremerhaven (Germany)	4,504	Bremen & Bremerhaven (Germany)	4,884
5	Algeciras (Spain)	3,262	Gioia Tauro (Italy)	3,464
6	Felixstowe (UK)	3,030	Algeciras (Spain)	3,420
7	Gioia Tauro (Italy)	2,835	Felixstowe (UK)	3,342

Sourced from Eurostat. Based on Table 3.12 Largest European ports by containers handled (TEUs). Department for Transport, *Transport Statistics Report - Maritime Statistics 2008*, September 2009, and Department for Transport, *Transport Statistics Report - Maritime Statistics 2007*, September 2008. Crown copyright reserved.

3.2.3 Ports developments

Harwich

The statistics in the previous section show increases in cruise passengers using Harwich, but a decrease in Ro-Ro passengers. Recent history shows steps have been taken to increase the appeal to cruise passengers, and shipping companies have been invited to include the port in their itineraries. The most significant recent investment was the multi-million pound passenger boarding bridge. This passenger gangway is flexible and air-conditioned, and can be used to accommodate the world's largest cruise liners. It is a high tech innovative feature and together with enhanced security facilities has improved the passenger experience. The culmination of Harwich International Port's recent renaissance was its success as runner up in the best Turnaround Port of the Year at the Seatrade Insider Cruise Awards in Hamburg. The potential for the local community to profit from the cruise liner traffic is outlined in section 3.3.3.

The other prospective development is at Bathside Bay. The expiry of the current planning permission is 2016, so development decisions can wait for an economic upturn if necessary. The economic impact assessments suggested that, in the long term, the Bathside Bay development would create 772 direct jobs, and a further 928 would be created in the Haven Gateway through associated activities.

Port of Felixstowe

There are three topics to discuss

- The continuing infrastructure investment
- Rail improvements
- Felixstowe South

The continuing infrastructure investment

A review of recent press releases, and other materials, shows that Hutchison/Port of Felixstowe continues to make substantial investment in the port. In 2008, the port took delivery of new massive cranes bringing the total to 31 in the port (28 July 2008). Increased facilities in both quayside handling equipment and in the rail terminals have increased the efficiency of the port as a whole to handle customer requirements. The Port estimates "up to 9,000 containers per week being handled by the port's two rail terminals" (6 June 2009), and 28 daily train services⁹ are being run from the port to a wide range of destinations throughout the UK.

The Port of Felixstowe - following this period of continuing investment has been named 'Business of the Year' at the annual Rail Freight Group awards.

⁹ Rail freight services at Felixstowe are offered by Freightliner, First GBRf, and DB Schenker. Daily connections are available to and from Coatbridge (Glasgow), Trafford Park (Manchester), Liverpool, Leeds, Daventry, Barton Dock, Cleveland, Birmingham, Tilbury, Selby, Wakefield, Hams Hall, Birch Coppice, Ditton, and Doncaster.

Rail improvements

One of the limitations of the port in moving goods onward in the UK has been the single-track rail line between Felixstowe and Ipswich. Permission was granted in 2008¹⁰ for a 4.25 mile section of double track on the existing single-track branch line between Trimley St. Mary and a point between Nacton and Trinity Park to the East of Ipswich with the scope to construct three additional 24-wagon sidings within the existing Ipswich marshalling yard.

According to Business Weekly (23 October 2009) “£8.3m will be pumped into improving the rail line between Felixstowe and Nuneaton” through European funding. Improvements to the Felixstowe to Nuneaton line will allow more freight to be shifted from the port by rail, reducing congestion on the A14. One element of the project - “gauge enhancement between Felixstowe and Peterborough” - will be through funding committed by Hutchison - Port of Felixstowe through a section 106 agreement.

Felixstowe South

Port of Felixstowe’s press release of 23rd July 2008 succinctly summarises the infrastructure development at Felixstowe South. It “will, when complete, create four new deep-water berths, with a total length of 1,285 metres and a depth alongside of 16 metres. The new facility, which will be the first new deep-water container capacity in the UK since Felixstowe completed the development of Trinity Terminal in 2004, will be equipped with 13 ship-to-shore gantry cranes. The first berths will be available in April 2010, with Phase 1 fully operational by September 2010.”

Port of Felixstowe has affirmed that there has been no change to the employment forecasts - since the Felixstowe South Reconfiguration scheme was proposed - for the number of jobs likely to be created. It is envisaged at the end of the process that about 600 new jobs would be created at the port itself, and a further 860 jobs would be created in associated industries.

Summary

There are three different elements to be considered in relation to the local economy. The continuing investment by Port of Felixstowe is raising the competitiveness of the Port, and, in a pan-European market, it is important to retain, and where possible, attempt to increase market share. Part of the strategy to achieve this is by increasing capacity and thus enabling the largest of the world’s container ships to berth.

- The first impact locally - of growing the port - will be the retention of local jobs both within the port and the other sectors serving the ports. The number of net new jobs internally and externally is approximately 1,500. While not dramatic, it will ensure continuing long-term growth of the local economy.
- There is some interim jobs growth in the community in the engineering and construction sectors as a result of both the Felixstowe South developments and dualling the rail line from Felixstowe to Ipswich.

¹⁰ see Press Release 23rd July 2008

- Finally, the construction capital expenditure on Felixstowe South of £400,000 may have limited impact on local employment growth as contracting companies are national and international, with, for example, the Dutch-owned Westminster Dredging Company. Meanwhile the new crane gantries mentioned above were fully built and transported from Shanghai for the current operations.

Ipswich

Ipswich Port is part of Associated British Ports¹¹. It offers a wide range of services. It handles container traffic from its West Bank Container Terminal, and from the Cliff Quay Container Terminal which has adjacent warehousing for distribution services.

One of Ipswich's strengths is its handling of dry bulk goods including aggregates, grain, animal feed, fertilisers and cement. It has over 16,000 sq m of covered, bonded warehousing complete with segregated bays. It has developed new infrastructure to deal with each type of commodity. It has the facility to handle forest products from Scandinavia and the Baltic states, combined with a timber treatment centre for wood preservative treatments prior to onward distribution. Finally, it deals with general cargo, including fresh produce, steel and palletised cargoes.

Ipswich offers a liquid-bulk terminal, operated by Vopak, with capacity for 89,000 cubic metres of oil and chemical products. The site offers storage and a full range of services for the industry.

Ipswich has a Ro-Ro terminal at the West Bank Terminal with rail access. The port also has the Ipswich Haven Marina in the Wet Dock at the Port of Ipswich. It opened in 2000 and has 270-berths.

Mistley

The Port of Mistley operates six berths including two deep-water berths. The port – owned by TW Logistics – handles “a diverse range of materials, which includes grain, fertiliser, aggregates, timber, granite, steel, metals, bricks and a range of industrial minerals. It also offers warehousing, open storage and distribution. There is covered storage at the Port of Mistley and at the company's Wrabness distribution centre.

Brightlingsea

There are several aspects to operations at Brightlingsea. Most of the harbour “is given over to leisure craft.” It can now “accommodate nearly 500 boats varying in size from around 14 to 40 feet.” A local ferry service – which carried 16,000 passengers in 2009 – is run from the port. Finally, there are the commercial port operations carried out at the privately-owned Olivers Wharf. “Part of the wharf is

¹¹ The company's ownership history is detailed at <http://www.abports.co.uk/geninfo/abp.htm>

currently being used by the Danish energy company Dong, who are developing a wind farm on the nearby Gunfleet Sands.”

The latest accounts produced by the port commissioner show that for the period 31 March 2009 the turnover was £555,000, with a surplus after tax of £100,000. The loss to the export trade in scrap metal will potentially be compensated for by the outward movement of wood waste cargo. Dong and its associated companies have made significant use of the port facilities and they have been an important factor in raising current turnover. The building of the wind farm will be completed in 2010, but maintenance functions will continue for a minimum of 25 years. This means port facilities and fuel will be required for the Dong service vessels for many years to come. The latest report from the commissioners (November 2009) suggests steps are being taken to ensure a re-fuelling facility is available and support can be provided to Dong from a Brightlingsea base.

Colchester

Colchester Borough Council’s website laments the closure of the town’s former port, the Hythe in East Colchester, and says “in 1984, 2,500 vessels used the port, handling over 1 million tons of cargo”. Following the port’s closure in 2001 regeneration plans have been developed for the area.

3.3 Transport, ports and logistics – valuing the industry in the sub-region

3.3.1 Salaries and earnings

As indicated in section 2.1.2, data was gathered from 22 of the larger businesses in the sector, in the Haven Gateway area, about the salaries paid to employees in this area only (i.e. not company employees in other regions or overseas). Data was gathered from all the main industry groups: transport and logistics companies, port operators, freight forwarders, rail companies and shipping lines. It covered approximately 6,000 employees based in the six district council areas in the core industry groups. This sample conforms to the definition of the transport, ports and logistics sector (covering freight, sea and land passenger transport) presented in table 3 earlier and which estimated 18,200 employee jobs in the area. Our sample is based on almost 30% of the employee jobs in the sector in the Haven Gateway area. The collated data from the 22 companies consulted showed an average payroll cost per head of £35,000. This figure used a 20% uplift for on-costs suggesting a gross salary per head of about £29,000 in the sector.

Using the table 3 employment figure for the core freight, sea and land passenger transport workforce of 18,200 people, then the gross salaries paid in the Haven Gateway amount to approximately £530 million annually. Including the on-cost element, the research suggests that the core sector annual salary bill is £640 million.

If the larger *distribution* sector definition is used, encompassing transport, logistics, wholesale trades, and those in sector-related occupations, i.e. **32,200 employee jobs, then the total salary bill could be more than £1.1 billion in the Haven Gateway area.** (This assumes salaries across wholesale trades and sector-related occupations are at a similar level to the transport, ports and logistics sector.)

These calculations show that the whole sector provides significant spending power in the local economy with salary levels above the gross annual average of £24,200 for all employees (2008 data) in the six district council areas.

Taking the upper level of 32,200 employees in the transport and distribution sector, the after-tax income collectively of those employees in the Haven Gateway area is about £740 million.

3.3.2 Business turnover

As indicated in the methodology, the business turnover attributable to transport, ports and logistics companies has been compiled from three sources: from companies that provided information in an interview, from published company reports, and through internet investigations.

- **Turnover based on company returns/interviews**

Each company that was interviewed provided data in relation to operations within the Haven Gateway area. Where publicly-available data from company reports was used, estimates were made about the turnover attributable to the Haven Gateway area. Any general estimates made in this section must be used with caution, as companies have different reporting dates that are likely to reflect performance in 2008 and probably no later than the first quarter of 2009.

Our panel of 22 larger companies operating in the Haven Gateway sub-region in the transport, ports, shipping and logistics sector had a collective annual turnover of £625 million.

The research also reviewed a further 246 medium to large companies. Based on turnover estimates that were adjusted pro rata for the volume of operations by the companies in the Haven Gateway, plus estimates for the remaining 900 smaller businesses¹², the total business turnover for all companies was estimated at £2.2 billion per annum.

¹² Total number of transport sector businesses – 1,215, as indicated in table 5 - taken from *UK Business: Activity, Size and Location – 2009* - ONS Crown Copyright (Sept. 2009)

- **Turnover based on per capita calculations**

Alternative strategies for calculating the collective turnover were also adopted. The turnover data for companies representing 30% of employees was used. An average turnover per head was calculated and multiplied by the 18,200 employees in Haven Gateway area's main transport and logistics industries. The result was an estimated transport, ports and logistics industry turnover figure of £2.19 billion per annum.

The high average turnover per head figure for the general transport and ports sector is justified because it is based on collated evidence supplied by the companies themselves. It is also reflective of the high value achieved per employee through effective automation, IT systems, containerisation, and high volume transportation modes.

- **Cautionary notes**

Both these calculations are subject to errors.

Turnover based on company returns/interviews

Estimating total business turnover – in the Haven Gateway – for the further 248 companies (in addition to the sample 22) identified as operating in the sector was difficult as many were multi-site companies. Finally, there was a lack of data about many of the smaller companies in the sector.

Turnover based on per capita calculations

Extrapolating even from a 30% sample size for the turnover generated per head is making assumptions about the efficiencies and working practices experienced by the other 70% of the workforce.

- **Other estimates of business turnover**

Assistance was received from the Shipping and Logistics Alliance (SaLSA) through Larking Gowen who conducted an analysis of “shipping, transport and logistics” companies registered at Companies House within IP and CO postcodes to determine companies' turnovers, and, in turn, make estimates of the potential market for accountancy services by the industry in the area.

A review of the source data – for the IP and CO postcode area (which is wider than the Haven Gateway remit) – suggests that business turnover by shipping, transport and logistics companies could total in excess of £4.5 billion for over 3,400 companies. This is our interpretation of the data (and not SaLSA's). *The UK Business: Activity, Size and Location – 2009* data shows 1,215 transport sector companies in the Haven Gateway area. This figure is only for VAT and/or PAYE registered enterprises within a smaller geographic area, and will include many smaller businesses.

- **Haven Gateway estimated turnover - summary**

From the various approaches outlined above, it suggests that the estimated transport, ports and logistics sector turnover is about £2.2 billion per annum in the sub-region subject to the caveats mentioned. An additional £800,000 could be estimated for the

wholesale trades sector. Referring back to Transport Intelligence's estimate for the UK distribution sector, which was £86.54 billion, then a value of £3 billion for the distribution sector as a whole - which includes wholesale trades and transport, ports and logistics - in an area which includes the UK's largest container port, would be in line with expectations.

Oxford Economics' recent report on the *Economic contribution of the UK shipping industry* (2009) identifies 96,000 direct employees in the UK shipping industry employed by businesses with a total estimated turnover of £9.5 billion.

3.3.3 Passengers' spending

As indicated in 3.2.1, 610,000 passengers passed through the Haven ports in 2008 using Ro-Ro ferries - 97% of those through Harwich. A survey was conducted with passengers to estimate the amount spent by them in the local community before and after using the ferries. This survey was conducted in the autumn and there is a potentially lower amount spent per head than by summer travellers who may include local amenities in their itineraries. Nevertheless, a "spend per head" figure was produced from an analysis of the survey returns. This combines spending on overnight accommodation prior to using a ferry, any petrol/diesel bought locally, and any other spending e.g. meals, snacks, gifts, books, newspapers, clothing, and spending on amusements / entertainment.

The average spent per head, which includes those that spent "nothing", indicated that Stena passengers who were travelling to/from Holland spent £12 per head, and DFDS passengers who were travelling to/from Denmark spent £14 per head.

Using the figures for passenger numbers through Harwich for 2008, from DfT Maritime Statistics, as a starting point, and allowing for 5.6 Stena passengers for every one DFDS passenger, we could make a provisional estimate that £7.3 million is spent locally by passengers using the port (not including cruise passengers).

Clearly, there are seasonal issues to consider. Easter / summer passengers may spend more in the locality in better weather. We have only taken a sample in one season. It is possible that the survey will be repeated in the summer of 2010 to gain a more comprehensive picture.

If we remove those who "spent nothing", the average spend per head for Stena passengers was £23 and for DFDS passengers was £20.

Passengers commented that they would have spent, or spent more, money locally, if there had been opportunities. One example was fuel. Stena passengers for the 11.45 pm sailing wished to buy petrol, but could not find any sold locally after 9 pm. (UK price per litre of unleaded = €1.14; Netherlands price per litre unleaded = €1.43,

November 2009). This was one of several examples where organisations in Harwich and its environs seemed not to be maximising business opportunities.

If it was possible to get those who “spent nothing” up to the average of those who did spend locally, then the estimated £7.3 million spent annually could rise towards £13 million. The estimated £7.3 million spent annually could also be revised following the incorporation of additional data following a summer survey.

In 2008, Harwich had almost 10 per cent of the UK cruise market, but a more modest 2.6 per cent of the UK Ro-Ro ferry passengers.

In addition to the ferry passengers, a further 126,000 passengers either embarked or disembarked through Harwich at the beginning or the end of a cruise in 2008. This is an 80% increase on numbers in 1999, and follows a decade of steady annual increases. In 2009, there were 53 cruise calls, including 5 transit calls. These transit calls enable passengers to go on day excursions from the port. With most cruise liners carrying around 2,000 passengers, and up to a thousand crew, there are significant business opportunities. Anecdotal evidence indicates that on transit call days, crews spend heavily in Harwich at Morrison’s and Argos.

There are three sources of local income – the transfers of passengers to and from vessels; the use of overnight accommodation in the area, and excursions by passengers from the ships making transit calls.

The excursions market is dependent on the number of transit calls. An initial estimate of expenditure by passengers of about £750,000 in the season was possible based on the 5 calls made in the summer of 2009. Two issues were mentioned during the fieldwork. Firstly, where the excursions are to destinations out of the area, e.g. London, there will be limited expenditure locally. Secondly, it was suggested that Harwich as a town was not geared up to meet the needs of high net worth individuals who may be travelling on the cruise liners.

Alternative estimates, using the European Cruise Council’s estimates of the value of cruise customers to a local economy can be used to establish a sub-regional income level. The Council suggests that for each transit passenger €106 (£93.7) enters the local economy, and for each turnaround passenger the figure is €57 (£50.4). The number of transit passengers in 2009 was 8,500, giving a potential spend of €901,000 (£796,405).

The number of passengers embarking or disembarking the cruise liners in 2009 was 123,500. Based on the European Cruise Council’s estimate of €57 (£50.4) entering the local economy, for each passenger, then an estimate of €7,039,500 (£6,222,000) was made for sub-regional annual income. This is an average figure, and the level of expenditure locally will show considerable variation. Those passengers making a direct transfer from train to liner may spend very little; however, those staying in

overnight accommodation within the sub-region, before or after their voyage, may spend considerably more with the costs of hotel rooms, meals and taxis factored in.

There is an expectation that there will be a reduction in cruise traffic in northern Europe in 2010, as a result of some liner companies re-locating ships to the Mediterranean area for the season. Haven Gateway's own research with the industry which identified this issue, also predicted a return to trend growth in 2011 and 2012, with "turnaround" passenger numbers increasing by approximately 20,000 from the 2008 figure by 2012, and the number of transit passengers potentially increasing by 50 per cent to 12,750 in 2012.

Summary

The estimate for ferry passenger spending could be considered low at £7.3 million because it does not factor in higher summer expenditures by passengers passing through the sub-region. This is counter-balanced by the estimates for cruise passengers' spending of £7,018,405 (£6,222,000 + £796,405) which could be slightly inflated because these expenditures – though actually made – may take place beyond the defined sub-regional area. Beyond those directly employed by the ports, who have already been counted in this report's employment figures, these groups of passengers could be responsible for sustaining a further 150-200 jobs in the local economy based on these expenditure estimates.

3.3.4 Spending on local services

Twenty-two of the biggest companies operating in the transport, ports and logistics sector in the Haven Gateway spend annually in excess of £40 million in **buying local services**. Within that figure, there is some element of intra-sector payments – from collated data just under one third of payments are made to other companies in the sector. The companies supplying information to this research represent just under one third of the transport, ports and logistics sector, by headcount. Using our survey data as setting the pattern for the industry, then the spending by the transport and logistics sector – as a whole – in the local economy could rise towards £100 million, with up to £30 million spent within the sector itself. Transport, ports and logistics companies spent significantly in the hospitality industry – hotels and restaurants; and engineering maintenance. The business-to-business expenditure external to the sector is likely to support approximately 1,000 jobs in the local economy. This estimate of £100 million does not include service sector expenditures made by businesses in the wholesale trades sector and the jobs thus created.

There are also specific developments that require sector companies to spend on professional services. Eversheds – the international law firm – chooses for one of its website case studies "acting for Hutchison Ports in the successful promotion of a Harbour Revision Order to authorise a multi-million pound deepwater container expansion at the Port of Felixstowe". It also mentions similar work for Hutchison in conjunction with Bathside Bay.

As part of the interview process, companies were invited to breakdown the spending made on local services. Some were able to do this. Considering there are 1,215 companies in the sector, the following table drawn from the spending patterns of 8 of the larger businesses is not meant to be representative of the sector as a whole. Nevertheless, it does give an insight on the sub-sectors that benefit from the presence of the sector. It also does not quantify spending on retail services.

Table 12 Proportion of local spending by selected Transport, ports and logistics companies – composite percentages

	Percentage of spending locally
Advertising	4
Accountancy and audit	14
Hospitality, restaurants	11
Hotels	12
Insurance	13
Legal and professional	7
Maintenance	16
Other travel	7
Taxis	12
Training	4
	100

One recurring theme in the discussions was the spending on local taxi services. Several companies indicated budgets for taxi use were in excess of £10,000 per year. The value of the total taxi / private hire market in the Haven Gateway is probably in excess of £8 million per annum.

This analysis of spending on local services has been from the demand side, reviewing what companies actually spent locally. As indicated previously, the Shipping and Logistics Alliance (SaLSA) through Larking Gowen conducted an analysis for this report on the potential market for different services from the sector. The review which extended across all CO and IP postcodes looked at the estimated fees that companies collectively could be paying. The fee estimates were proportionate to the sizes of the companies, and took account of lower fees applicable to smaller companies that fell into the non-audited / unincorporated categories. The result of the extensive calculation was to estimate that the audit and accountancy services market with regard to Shipping, ports and logistics companies is potentially worth £10.5 million. The opportunities to access that market are subject

to competitive forces. Large and multi-national companies may choose organisations outside the area for a variety of business reasons.

3.3.5 Spending by the transport, ports, and logistics' workforce

The estimated after-spend income by the 32,200 sector employees is approximately £740 million. Using standard measures of household spending, and standard measures of jobs generated by that spending, it is possible to estimate the impact of this collective income, setting aside some element for out-of-area expenditures and savings.

The direct spending by sector employees in the local economy is likely to generate between 10,000 and 12,000 jobs. (This is additional to jobs created by business-to-business spending) On the assumption that Haven Gateway residents conform to UK spending patterns, then the spending habits of the transport, ports, and logistics workforce is likely to sustain over 3,000 retail jobs, and over 2,000 jobs in the hospitality, cultural, recreational and entertainment industries in the sub-region. (As indicated in the previous section, the hospitality industry also benefits significantly from the business-to-business spending by the sector.)

Oxford Economics¹³ study of the shipping industry conducts two exercises. One is on the multiplier effect of the industry and job creation in the supply chain, and the second on spending in the local economy by those working in the shipping industry and its supply chain. It cites its detailed econometric model of the UK economy suggesting that the “induced multiplier is 1.224 – i.e. for every £1 million of output generated by the shipping industry and its supply chain a further £0.2 million of output is generated in the economy as workers spend their earnings on other goods and services”. On this basis, the induced multiplier figure based on the sector output sub-regionally, and translated into jobs, also suggests a figure of around 10,000 jobs sustained in other parts of the local economy as a result of the transport, ports and logistics industry.

A further area of discussion concerns the public sector employment that has been created to support the transport, ports and logistics' workforce. If the sector workforce did not exist in the area, then a potential reduction in the service requirement of 8,900 jobs would be possible. This is based on a pro rata basis looking at the employed workforce of the main public sector areas of health, education and local government. Put another way, the presence of the transport, ports and logistics' workforce is sustaining indirectly – through its tax and national insurance contributions – almost 9,000 more jobs.

¹³ *The Economic Contribution of the UK Shipping Industry in 2007*. Final report, February 2009, Oxford Economics.

3.3.6 New sources of income

In section 3.2.3, the use of Brightlingsea Harbour by Dong for the development of the Gunfleet Wind Farm was discussed. Harwich International Port has also benefited from the construction phase with barges carrying some of the largest infrastructure elements of the turbines being berthed at the port¹⁴.

The Brightlingsea Harbour Commissioner reported that the presence of Dong operations had made a significant positive contribution within their £555,000 annual turnover¹⁵. On the completion of the work in 2010, the extra spending power in the community by Dong and associated companies' staff will decline, but there is hope that long-term use of the harbour by Dong for vessels to carry out maintenance trips to the wind farm will bring a steady income stream.

¹⁴ Press release 5 March 2009.

¹⁵ 1 October 2009

4 Summary

4.1 Size of the sector

A total of 33,000 employee jobs can be attributed directly to the presence of the transport, ports, logistics and wholesale trades sectors in the Haven Gateway, and transport and logistics occupations in other sectors. This is 11.6 per cent of Haven Gateway employees. Within this total, there are 14,800 people employed in road freight and sea transport activities, and half of these are in Suffolk Coastal. 4,800 people are employed in freight transport by road.

4.2 Businesses in the sector

There were 1,215 transport businesses in the Haven Gateway area in 2009, and a further 1,190 in the wholesale trades sector. The highest concentration of transport businesses is in Suffolk Coastal, including the high concentration of businesses on the A14 corridor from Felixstowe through to the outskirts of Ipswich, as well as the smaller water transport businesses stretching up the east coast. Colchester has the next highest number of transport businesses, usually located in areas close to the A12.

4.3 Value of the sector - company turnover

Various methods were used to calculate a collective company turnover for the transport, ports and logistics industry in the Haven Gateway. An estimate of annual turnover for sector operations based in the area is £2.2 billion. The broader distribution sector, including wholesale trades as well as transport, ports and logistics, is estimated to have total company turnover value of about £3 billion. Transport Intelligence estimated the UK distribution sector as whole had a turnover of £86.54 billion.

4.4 Salaries and earnings; spending power

The salary bill for the 18,200 transport and logistics' employees is about £660 million annually including on-costs.

Taking the upper level of 32,200 employees in the transport and distribution sector, the sector salary bill is likely to exceed £1.1 billion. The after-tax income collectively for those employees in the Haven Gateway area is therefore likely to be about £740 million.

4.5 Sector spending on other services

Twenty-two of the larger sector companies spent £40 million on local services. Based on these data, and other supporting research, it is likely that the spending on services by the transport, ports and logistics sector as a whole could exceed £100 million per annum, with about 30% of this spent on local services within the sector. This does not include spending on services by the wholesale trades sector.

4.6 Employment in other sectors

As indicated in 4.1, the total number of jobs in the transport, ports, logistics and wholesale trades sectors, and transport and logistics occupations in other sectors is 32,200. The analysis of the spending power of these employees in the local economy suggests that they support a further 10,000-12,000 jobs. The spending - business-to-business - by transport, ports, and logistics sector companies in other industries is likely to create an additional 1,000 jobs in the sub-region. Finally, there is the spending power of passengers using the ports. In section 3.3.3, it was estimated that another 150-200 service sector jobs, beyond the direct workforce could be directly attributed to passenger traffic through the ports.

The transport, ports, logistics and wholesale trades businesses play a pivotal role in the economy of the sub-region, and their presence in the locality sustains around 45,000 jobs both in the sector itself and in all the supporting sectors/service industries mentioned in 3.3.4. There is also an argument that suggests a further 9,000 jobs in the public sector indirectly exist to service this sector's employees.

5 The future

5.1 Transport, logistics and road freight employment

The Sector Skills Council (Skills for Logistics), in its 2009 regional report using Working Futures III – a series of employment projections 2007-2017, suggests that 6,000 new jobs will be created in the industry over the ten year period in the east of England. However, because of people leaving the workforce – particularly as a result of an ageing workforce – there is a replacement demand of 74,000 jobs. Thus 80,000 new employees over the ten-year period up to 2017 will be required: an average of 8,000 per year. The demand is unlikely to be evenly spread. In occupational terms, managerial, and sales and customer services posts will be most in need of applicants.

From our research it is likely that the regional net increase of just over 3% per year (new plus replacement demand) can be exceeded in the Haven Gateway area. The minimum requirement is likely to be 1,250 jobs per year for replacement demand and a further 165 new jobs per year.

Industry specialists interviewed suggested new jobs growth will be limited, even in periods of economic expansion. The example of some new warehousing facilities at Tilbury was cited as a trend indicator. This fully automated robotised facility would ten years ago have probably required 80 warehouse staff. It now needs a handful of IT-literate employees to oversee goods inward and outward.

5.2 Current ports' traffic; Port of Felixstowe and Bathside Bay

A review of the tonnage passing through the Haven ports collectively from 2004 to 2008 shows little change over the 4-year period. However, Felixstowe's traffic shows a small, but steady increase, while Ipswich and Harwich both see marginal declines in the level of freight passing through the two ports. The two minnows, Mistley Quay and Brightlingsea, have little impact on the overall figures. Mistley has seen a slight increase, and Brightlingsea a decline in the tonnage figures.

Both economic and employment growth are going to result from the expansion of Felixstowe South and from the presence of larger ships and more containerisation. The development of Bathside Bay seems essential to catch any upward trend in traffic in the next decade.

5.3 Passenger transport and associated sectors

Since 1999 (up to 2008), there has been an increase of 80 per cent in the number of cruise passengers embarking or disembarking at Harwich International Port. The

increasing number of cruise liners making transit stops means that potentially 8,000+ passengers could come onshore in the Haven Gateway area and would be an increasing market for the hospitality and tourism industry. Haven Gateway's own estimates suggest a modest reduction in traffic for 2010, but a return to trend growth in 2012.

Regrettably, a decline of more than 50 per cent in the number of passengers using Ro/Ro ferries at the three Haven ports – Felixstowe, Harwich and Ipswich – has been seen over the same 9-year period.

5.4 Land freight

The developments in rail infrastructure from Felixstowe to the Midlands will accommodate increased traffic on the rail network, and shift some of the burden from the roads. It is likely that there will be further industry consolidation in the road haulage industry, and some small operators will face closure or merger. Integrated service offers from bigger companies will become more prevalent. A local dryport for the onward movement of goods would be beneficial to east of England based transport and logistics business. However, if the increased opportunities made available through the rail infrastructure improvements are utilised, there could be pressure to develop the dryport much further inland.

5.5 Economic benefits

The business expansion through the ports that will take place after the current recession has abated, probably from about 2011 onwards, is not likely to result in a significant increase in new direct employment. The importance of the directly employed workforce is its spending power in the community, possibly sustaining a further 10,000-12,000 jobs in service industries, such as retail and hospitality. The importance of the transport, ports and logistics industry to the financial stability of the area is shown through the services it directly buys: financial services and accountancy, legal and insurance services; and through services it induces others to buy: passengers to ferries and cruise liners using shops and restaurants. This is equivalent to at least another 1,150 jobs. The challenge for the Haven Gateway is to ensure that professional services companies maximise the potential business available from multi-national, national and local transport and logistics companies, and hospitality and retail outlets capture the tourist traffic that is passing through the area to the ports. Finally, with regard to 5.1 (above), the big employment question is satisfying the "replacement demand" requirements of the sector, particularly in road haulage occupations.

Bibliography

- *A World of Opportunity – careers at the port of Felixstowe*. 2008. Hutchison Ports.
- *Annual Business Inquiry – workplace analysis*. 2007. NOMIS.
- *Chamber of Shipping Manpower Survey*. June 2007.
- *Conference Exclusive: PwC's perspectives on the future of the logistics industry*. September 2009. Thomas Cullen.
- *Economy Regional Snapshot*. March 2009. ONS.
- *Greater Gabbard Offshore Wind Farm, non-technical summary*. 2005.
- *Gross Affordable Dwelling New Build and Acquisitions – National Performance Indicator*. December 2008.
- *Gunfleet Sands Offshore Wind Farm – press release*.
- *Haven Gateway Integrated Development Programme*. December 2008. Haven Gateway Partnership.
- *International Sea Passengers: provisional estimates – September 2009*. Department for Transport.
- Key Note, *Distribution*, 2009, England
- Key Note, *Freight Forwarding*, 2009, England
- Key Note, *Road Haulage*, 2009, England
- Key Note, *Distribution*, 2007, England.
- *Local Authority Key Statistics*, March 2009 – East of England.
- *Logistics Sector Profile: East of England*. 2009. Skills for Logistics.
- *Mapping the Economy: Sleepy county town Ipswich has woken up to new technology*. Article published in *The Times*, January 2009.
- *Maritime Statistics 2007*. Department for Transport.
- *Norfolk Line Fact Sheet – England*.
- *Road Freight Statistics 2008*. Department for Transport, 2009.
- *Smarter Solutions for Sustainable Growth 2008-2011*. Haven Gateway Partnership.
- *Statistics on Road Freight. July 2009*. Department for Transport.
- *Suffolk Haven Gateway Employment Land Review & Strategic Sites Study*, Final Report. September 2009. GVA Grimley Ltd
- *The Control and Facilitation of Imports*. 2008, National Audit Office/HMRC.
- *The Economic Contribution of the UK Shipping Industry in 2007*. Final report, February 2009, Oxford Economics.
- *The Impact of the Economic Crisis on the European Road Haulage Sector*. October 2009. John Manners-Bell for Transport Intelligence.
- *Transport Statistics Bulletin – provisional Quarterly Port Statistics, Q1 2009*. Department for Transport
- *Transport Statistics Bulletin – road freight statistics 2008*. Department for Transport.
- *Transportation & Logistics 2030*. PricewaterhouseCoopers.
- *UK Business: Activity, Size and Location*. 2008, ONS.
- *Where will the latest business cycle take freight forwarders?* September 2008. Transport Intelligence Ltd.
- *Working Paper 37 – London's Logistics Sector*. 2009. GLA Economics.

Appendix 1

The use of Annual Business Inquiry data is restricted. The numbers are rounded and aggregated for the Haven Gateway Partnership area.

When presenting information about the district council areas in full – employee workplace numbers have been drawn from a limited number of SIC codes:

- 6024 Freight transport by road
- 6110 Sea and coastal water transport
- 6120 Inland water transport
- 6311 Cargo handling
- 6312 Storage and warehousing
- 6322 Other supporting water transport activities
- 6340 Activities of other transport agencies
- 6412 Courier activities other than national post activities

When developing the tables to include passenger transport, the following SIC codes were added to the data above:

- 6010 Transport via railways
- 6021 Other scheduled passenger land transport
- 6023 Other passenger land transport
- 6321 Other supporting land transport activities

The two-digit SIC code data was used when compiling the district council level data for Wholesale trades:

- 51 Wholesale trade and commission trade, except of motor vehicles and motorcycles

When carrying out the analysis of the 2 or 3 wards in which each port is based, additional employee categories have been used. They are:

- 3511 Building and repairing of ships
- 3512 Building and repairing of pleasure and sporting boats
- 6022 Taxi operation
- 6330 Activities of travel agencies and tour operators; tourist assistance activities not elsewhere classified
- 7110 Renting of automobiles
- 7121 Renting of other land transport equipment
- 7122 Renting of water transport equipment
- 7511 General (overall) public service activities
- 7524 Public security, law and order activities

Care has been taken to exclude employee numbers where they do not directly to contribute to the transport, ports and logistics industry in the Haven Gateway. For

example, *6330 Travel agencies and tour operators, etc* numbers have been included in the wards where the ports are situated, but they have been excluded across the remaining district council areas in order not to inflate the employee numbers, Likewise, *7524 Public security etc* is used for the immediate port wards, and no others, because the aim is not to include general policing.

Appendix 2

All tables in this section sourced from Department for Transport, *Transport Statistics Report - Maritime Statistics 2008, September 2009*, Crown copyright reserved.

Table A1

Source: table 1.9 Major ports of Haven Gateway, by area of loading or unloading: 2007, foreign and domestic traffic (thousand tonnes/percentage)

	Domestic		EU		All other short sea countries		All deep sea countries		All routes (inc unspecified)
	Total	%	Total	%	Total	%	Total	%	Total
Felixstowe	669	3	5,729	22	2,116	8	17,171	67	25,685
Harwich	32	1	3,697	98	33	1	21	1	3,784
Ipswich	591	21	1,921	69	199	7	71	3	2,797
All UK	137,980	24	229,091	40	74,559	13	124,427	22	566,617

Table A2

Source: table 1.11 Major ports of Haven Gateway, by area of loading or unloading: 2008, foreign and domestic traffic (thousand tonnes/percentage)

	Domestic		EU		All other short sea countries		All deep sea countries		All routes (inc unspecified)
	Total	%	Total	%	Total	%	Total	%	Total
Felixstowe	561	2	5,745	23	2,116	8	16,561	66	24,988
Harwich	98	3	3,583	96	41	1	17	-	3,739
Ipswich	582	23	1,728	67	141	5	92	4	2,572
All UK	134,653	25	217,575	40	71,186	13	123,853	23	548,079

Table A3

Source: table 2.7 Major ports container traffic in TEUs and weight carried, by port and route: 2007, foreign and coastwise traffic (thousand TEUs – twenty foot equivalent units – and thousand tonnes)

	Domestic		EU countries		All other short sea countries		All deep sea countries		All routes (inc unspecified)	
	TEU	Weight	TEU	Weight	TEU	Weight	TEU	Weight	TEU	Weight
Felixstowe	93	665	444	2,920	248	2,069	2,275	17,165	3,343	22,819
Harwich	-	-	1	6	-	2	-	-	1	7
Ipswich	-	-	4	-	-	-	-	-	4	-
All UK	510	3,387	2,520	18,285	419	3,735	4,998	34,670	8,874	60,510

Table A4

Source: table 2.7b Major ports container traffic in TEUs and weight carried, by port and route: 2008, foreign and coastwise traffic (thousand TEUs – twenty foot equivalent units – and thousand tonnes)

	Domestic		EU countries		All other short sea countries		All deep sea countries		All routes (inc unspecified)	
	TEU	Weight	TEU	Weight	TEU	Weight	TEU	Weight	TEU	Weight
Felixstowe	83	560	426	3,003	255	2,094	2,094	16,546	3,132	22,206
Harwich	8	35	253	1,450	-	1	1	14	262	1,500
Ipswich	-	-	17	-	-	-	-	-	17	-
All UK	506	3,017	2,437	17,298	440	3,963	4,871	34,732	8,714	59,550

Table A5

Source: table 3.6 Ship arrivals at Haven Gateway ports, by type and deadweight: 2007 (number of vessels)

Deadweight tonnes:	Tankers				Ro-Ro vessels			Fully cellular container vessels			Other dry cargo vessels				total all vessels
	1 - 4,999	5,000 - 19,999	20,000 - 99,999	100,000+	1 - 4,999	5,000 - 19,999	20,000+	1 - 4,999	5,000 - 19,999	20,000+	1 - 4,999	5,000 - 19,999	20,000 - 99,999	100,000+	
Thames and Kent															
Colchester	-	-	-	-	-	-	-	-	-	-	1	-	-	-	1
Brightlingsea	-	-	-	-	-	-	-	-	-	-	356	-	-	-	356
Haven															
Felixstowe	15	5	4	-	283	849	-	135	909	1,635	153	31	6	-	4,025
Ipswich	50	27	-	-	363	2	-	19	3	-	553	95	-	-	1,112
Mistley Quay	-	-	-	-	-	-	-	1	-	-	90	-	-	-	91
Harwich	59	48	-	-	167	1,829	220	1	15	-	43	19	-	-	2,401
Other ports	-	3	3	28	-	-	-	-	-	-	-	-	-	-	34
All Haven	124	83	7	28	813	2,680	220	156	927	1,635	839	145	6	-	7,663
All ports of United Kingdom	10,524	7,039	1,980	1,436	30,237	39,383	7,519	1,990	4,097	3,613	24,284	4,909	2,308	343	139,662

"These figures fall outside the scope of National Statistics

Source: Lloyd's Marine Intelligence Unit and individual ports for those vessels not counted by Lloyds"

Table A6Source: table 3.6b Ship arrivals at Haven Gateway ports, by type and deadweight: **2008** (number of vessels)

	Tankers				Ro-Ro vessels			Fully cellular container vessels			Other dry cargo vessels				total all vessels
	1 - 4,999	5,000 - 19,999	20,000 - 99,999	100,000+	1 - 4,999	5,000 - 19,999	20,000+	1 - 4,999	5,000 - 19,999	20,000+	1 - 4,999	5,000 - 19,999	20,000 - 99,999	100,000+	
Deadweight tonnes:	1 - 4,999	5,000 - 19,999	20,000 - 99,999	100,000+	1 - 4,999	5,000 - 19,999	20,000+	1 - 4,999	5,000 - 19,999	20,000+	1 - 4,999	5,000 - 19,999	20,000 - 99,999	100,000+	
Thames and Kent															
Colchester	-	-	-	-	-	-	-	-	-	-	2	-	-	-	2
Brightlingsea	-	-	-	-	-	-	-	1	-	-	564	-	-	-	565
Haven															
Felixstowe	9	8	2	-	292	841	-	105	690	1,538	103	14	1	-	3,603
Ipswich	50	36	-	-	362	-	-	51	15	-	511	83	-	-	1,108
Mistley Quay	-	-	-	-	-	-	-	1	-	-	81	-	-	-	82
Harwich	73	57	-	-	92	1,862	-	6	32	1	72	12	1	-	2,208
Other ports	-	3	13	17	-	-	-	-	-	-	-	-	-	-	33
All Haven	132	104	15	17	746	2,703	-	163	737	1,539	767	109	2	-	7,034
All ports of United Kingdom	8,872	7,181	2,118	1,451	38,852	33,385	126	1,865	4,188	3,683	21,841	4,089	2,595	305	130,551

"These figures fall outside the scope of National Statistics

Source: Lloyd's Marine Intelligence Unit and individual ports for those vessels not counted by Lloyds"

WHAT HAPPENS NEXT?

YOU CAN ACCESS A COPY OF THE FULL REPORT AT:
www.haven-gateway.org

Want to give your views about future developments?

The Haven Gateway Partnership recognises that continuous growth is needed if the area is not to be left behind by the impact of globalised trading. The Haven Gateway Partnership welcomes the views of businesses of all sizes on how the industry can expand to give trading and employment opportunities across the subregion. These ideas could be about infrastructure developments, land use, training opportunities or the evolution of a strong, supporting service sector.

If you want to know more about the sector, contact:

Richard Morton:
richard.morton@haven-gateway.org

If you want to give your views about future land use requirements for transport, ports and logistics in the subregion, contact:

Steve Clarke:
steve.clarke@haven-gateway.org



Haven Gateway Partnership
Suites 3 & 5, The Centre, The Crescent
Colchester Business Park, Colchester
Essex, CO4 9QQ
T: 01206 843753
F: 01206 848419
E: info@haven-gateway.org
W: www.haven-gateway.org

