



UK major ports today and tomorrow – opportunities & challenges

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Ports matter – the UK's main global gateways and key drivers of jobs and prosperity in our coastal areas

Ports are the UK's global gateways



- 95% of the UK's global physical trade moves via its ports
- 8 out of every 10 cars made in the UK are exported via a port
- Nearly half our food & feed needs are imported via a port

Ports are key catalysts for coastal jobs & prosperity



- 100,000+ people are directly employed in ports around the UK
- 6 jobs depend on each direct job
- £1 spent on a port road scheme generates £4 for the wider coastal economy

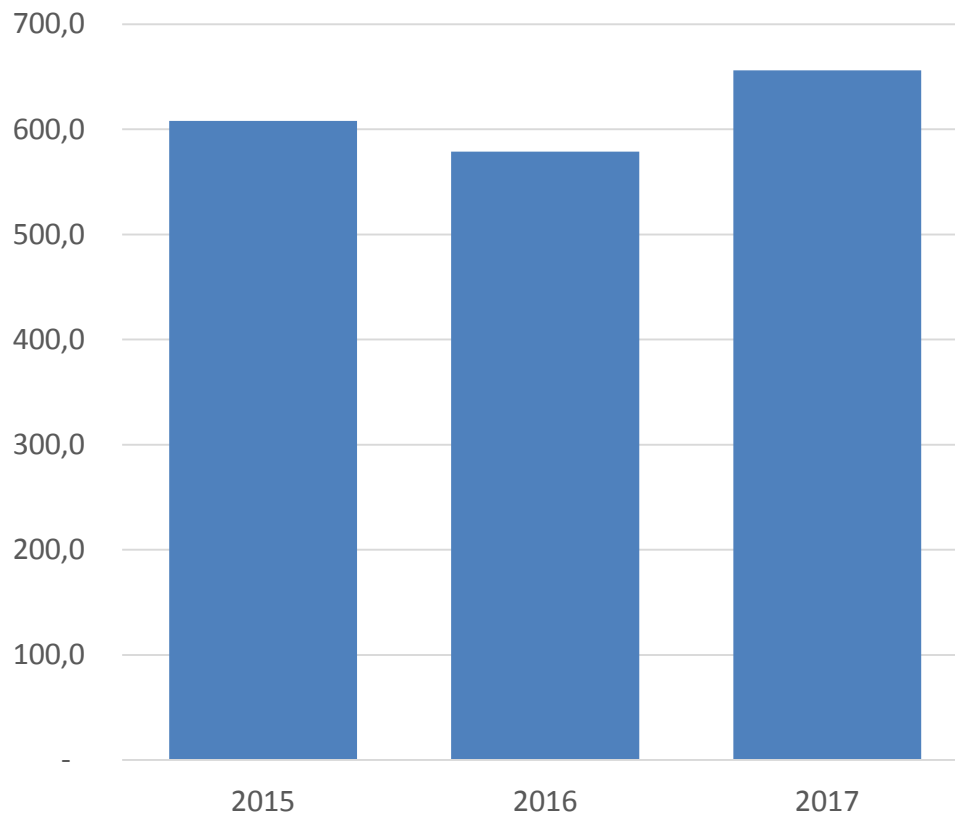
Ports are more than points of transit – hubs for a broad range of economic activity

- ‘Port-centric’ models of logistics and warehousing
- Hubs for value addition – manufacturing and infrastructure development
- As well as vital trade gateways, ports are also important hubs for other maritime sectors:
 - Cruise
 - Renewables
 - Offshore oil & gas,
 - Fishing; and
 - Recreational leisure industries
- Ports as entrepreneurial regenerators – e.g. film studios!



Strong record of significant & ongoing investment

UK port operator* capex (£m)

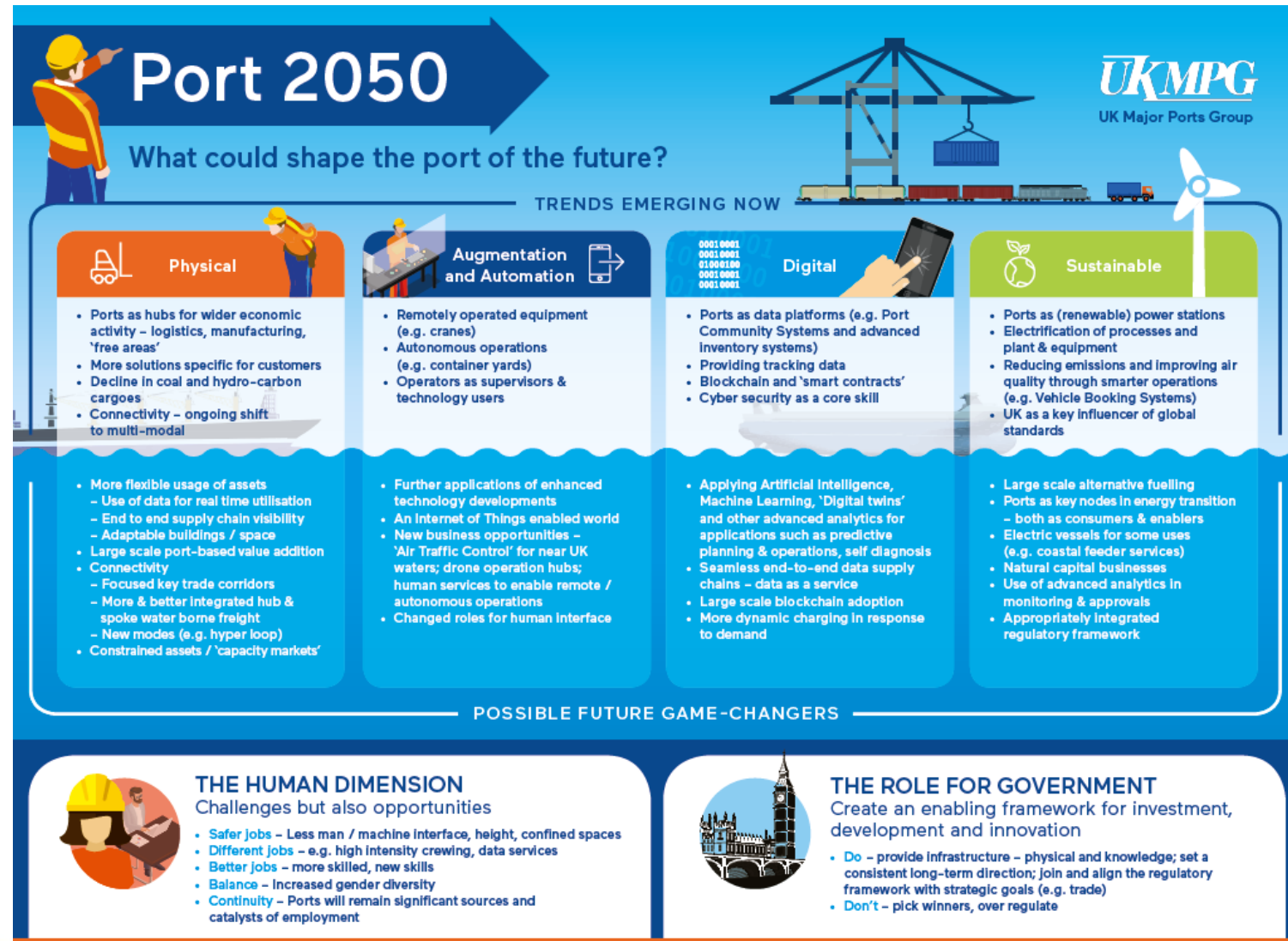


- Around £600m of capex per year
- Little to no call on Government funding
- Strong record on reinvestment of operating cash flow
- UK success story in attracting patient capital from around the world, e.g. N America, Middle East, Asia
- Very important sector for UK long-term investors e.g. 6.2 million UK pension fund members

* Physical capex only for: Aberdeen, ABP, Bristol, Belfast, Dover, DP World UK, Hutchison Ports UK, Forth Ports, Milford Haven, PD Ports, Peel Ports, Port of London Authority, Tyne.

Source: Port Operator Accounts or announced capex.

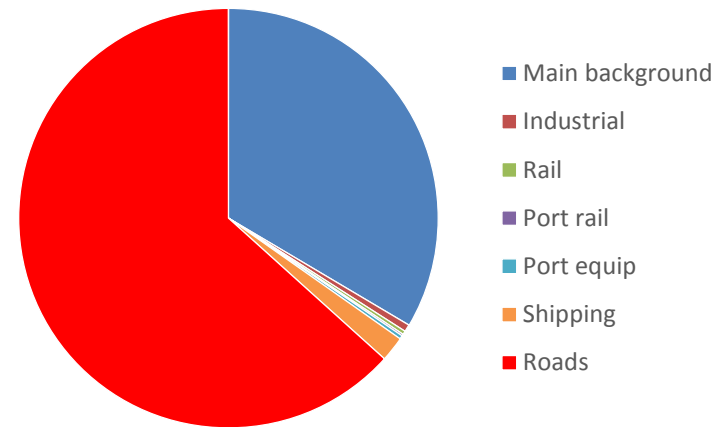
Focused on the opportunities and challenges of the future



Key challenge of achieving more environmental sustainability

- Key topical issues:
 - *Air quality* – UK ports to produce plans within 12 months
 - *Scrubbers* – UK ports eager to see more data on water quality in ports and cumulative impact on sediment
- Longer-term: UK Government 'Clean Maritime Plan' expected soon, setting out ambitious route map to zero emissions maritime
- Other environmental matters of focus inc:
 - Marine protection areas
 - Developing assets under the Habitats Regulation
 - Dredging
 - CO2
 - Climate change adaptation

NOx source apportionment (ug/m3)



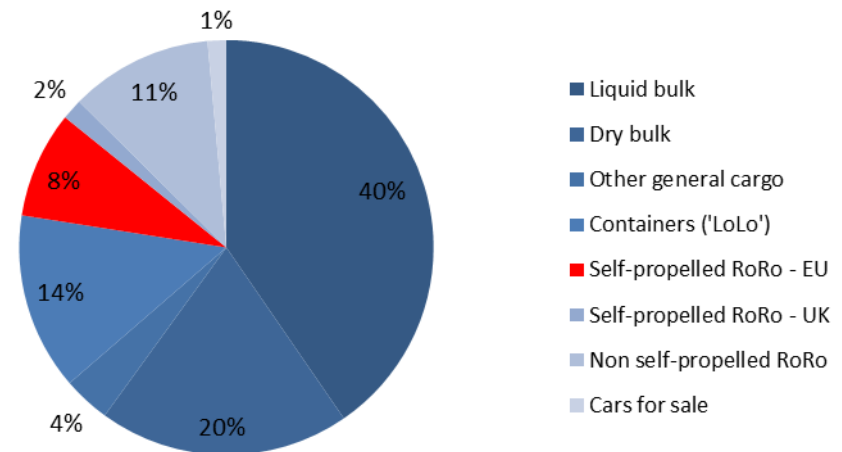
Brexit – yes its important, but let's keep it in context

The popular media image...



...the shares of UK port volumes

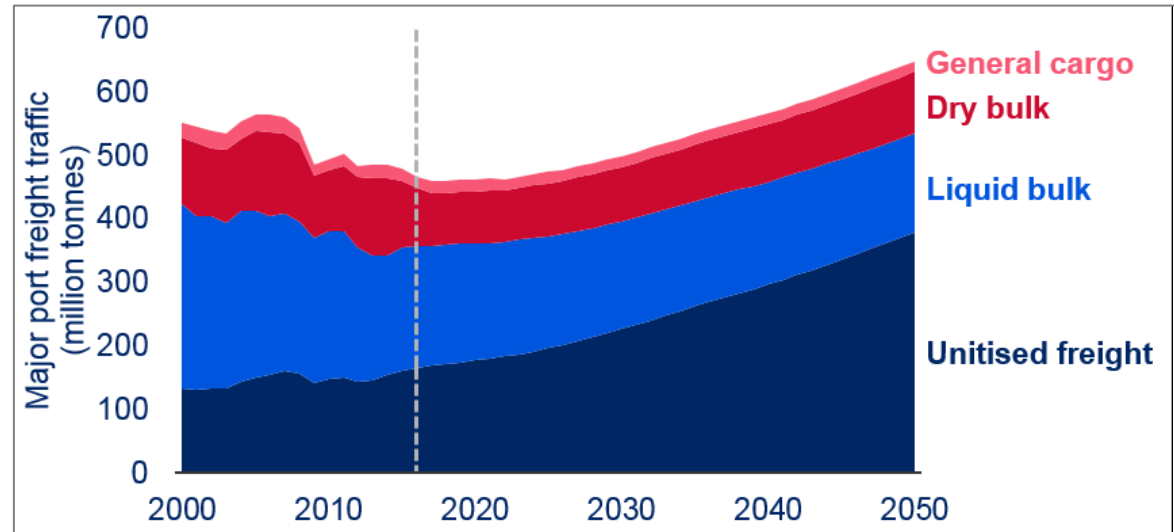
UK port volumes by category, 2016, Kt



Brexit brings a range of challenges but also opportunities to the UK port sector

Ports make a huge contribution today – and are ambitious to do more

UK Major Port Freight Traffic Forecast to 2050



- The outlook is positive
- Port operators invest £600+ million in port areas each year
- This is not just in the ports themselves –also in surrounding areas & wider activities
- We are ambitious to do more, sustainably
- What's required to realise this potential?
- ***Better planning rules***
- ***Better connectivity***
- ***Better environmental rules***

Source for UK Major Port Freight Traffic Forecast: DfT
“Maritime 2050: Navigating the future”