

AECOM discuss biggest issues and opportunities for UK ports sector

Ahead of the [UK Ports Conference](#) on the 22nd and 23rd May in London, Martin Mannion, Port & Maritime Director – Europe, Middle, India and Africa at AECOM shares his thoughts on the biggest challenges facing the ports sector.

Martin Mannion

Port & Maritime Director – Europe, Middle, India and Africa

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In your opinion, what will be the biggest challenges for the ports sector in 2018 and beyond?

Border control changes as a result of Brexit will be one of the biggest challenges for the ports sector, with the scale of the impact dependent on resultant negotiations.

Brexit challenges at ferry ports in particular will be high. For example, more land will be needed near ports as the time taken to process both passenger and freight vehicles increases. Managing relationships with local authorities and other stakeholders will be key to meeting these challenges.

The aim for frictionless trade is the best case outcome, but ports are planning for alternative outcomes which may see hard border controls, with the associated requirement to recreate physical infrastructure to accommodate these controls, well underway. The timescale required to implement physical upgrades versus the status of the negotiations remains a key risk to the sector. Without a transition deal then it is difficult to see how ports could possibly be ready within the timeframe.

Brexit will also continue to challenge the freight haulage sector – a potential lack of truck drivers at major container ports will continue to create opportunities for rail and feeder services and infrastructure, supporting regional ports around the UK.

What do you see as the main opportunities for growth for UK ports in the coming years?

Despite the challenges of Brexit, it is also likely to lead to new opportunities within the sector. Ports already delivering port-centric solutions will be well positioned to move into free zone opportunities, avoiding unnecessary duties on adding value to goods or products for export. The growth into this market will see the need for temporary storage and value-added services pending onward movement of goods into Europe, which could potentially drive demand for port land.

Elsewhere in the UK, manufacturing is driving redevelopment and growth of UK ports. For example Green Port Hull, the new Siemens offshore wind facility, is now operational. This demonstrates that other offshore opportunities include decommissioning, subsea cables and other green technology could



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What are the expected changes and what will be different for the port industry in 10 years' time?

Digitalisation and automation within ports continues to advance – this extends from major port machinery, like that at London Gateway, across to on-dock warehousing and cargo management / administration. This continued automation will improve efficiency and speed of cargo transfer, enabling optimisation of trade flows across the supply chain. Digitalisation is resulting in better exchange of information across the whole shipping supply chain, improving visibility of trade flows while also increasing customer service expectations.

The cost driver to increase efficiency will encourage movement towards more green port infrastructure. We see a shifting focus towards electrical plant and equipment combined with sustainable electricity sourcing – for example from on-dock wind turbines or roof-mounted solar panels. As a mature sector such initiatives are naturally 'slow burn', but as infrastructure is renewed these solutions are integrated into new projects. Increasingly the business case for sustainable energy is being made for current assets, with payback periods for solar investments or conversion of diesel plant to electric plant now sufficient to enable upgrades prior to replacement.

The shift towards lower sulphur limits in marine fuels will also continue to push shipping lines to alternative fuel options such as LNG, battery and other solutions. As demand builds, the port sector will be making increasing accommodations for LNG fuelled vessels, including a wider network of LNG bunkering options. Whilst the initial focus has been on the ferry sector, where the regularity of service support the investment case, over the next 10 years we would expect to see a wider roll-out of LNG or shore-power projects servicing the cruise and short-sea container sector.

What national infrastructure is needed to support UK ports?

UK ports need greater connectivity with road and rail links, given that over 90% of goods are transported through them. With the development of new port hubs and logistics facilities, both in London and Liverpool, altering trade flows there is likely to be the need for supporting infrastructure which should come through as part of regional development plans.

Brexit requirements, as outlined above, may introduce additional infrastructure needs to support border controls.

How can new technologies and innovations be used in UK ports?

Digital optimisation, automation and remote control processes and equipment will increase, allowing greater flexibility in port operations and significant improvements in safety with less manual handling.

However with this comes increased visibility of status of goods within the supply chain, raising customer expectations, with little tolerance for under-performance – even due to factors outside of the port's control such as weather. This of course is an experience shared with the aviation and rail sectors, and the ability to cope with service interruptions varies across the sector. Within the container port sector there is now more headroom due to the capital investments at London Gateway, Felixstowe and Southampton.

What are the impacts of recent shipping trends on UK ports?

The increased size of ship on mainline container trade, and the realignment of the main alliances, has resulted in the deep-sea container ports receiving fewer calls from larger vessels. There have also been sailings eliminated across the off-peak period. The combined effect of this places incredible pressure on container yard and gate operations as they have to work even harder during the new peaks. Advances in planning systems have enabled terminal operators to respond, but the challenges flow through the port and freight transport sector with the changing pattern of demand making it harder for the road and rail freight operators, the empty yards and the end recipients.

As described above, the shift towards lower sulphur limits in marine fuels will also continue to push shipping lines to alternative fuel options, such as LNG, meaning reduced emissions. Ferry operators are leading the way here.



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Hear from Martin Mannion and other experts...

...including **Department for Transport, BPA, Network Rail, Port Training Services** and more at the **UK Ports Conference**, taking place in **London at Congress Centre on Tuesday 22nd—Wednesday 23rd May 2018**.

Tickets start from just £349 + VAT, (group booking discounts available) for full details of the programme and how to secure your place visit <http://bit.ly/352CON18>.

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