



## FIVE TRENDS FOR UK PORTS IN 2021



If ever there was a year to demonstrate the perils of attempting to predict the future it was 2020. But at UK Major Ports Group we represent a fundamentally optimistic and forward-looking sector so we're going to throw caution to the wind and gaze steadily into the 2021 crystal ball.

But before looking forward it's worth briefly reflecting on 2020. Looking just at vessel handling activity the profile of the year shows the unmistakable impact of the COVID-19 pandemic when compared to 2019. Although a steady baseload of activity continued throughout the year, reflecting the fundamental resilience of the sector, there was a 30% peak to trough fall from early March to the end of April in vessel arrivals. Since then, it has been a steady and hard-fought recovery in numbers, closing out the year in December with activity comparable to 2019.

Of course there is more to port activity than 'just' moving goods and people. Port operators have not been immune to the wider economic impacts of 2020 but have, for example, worked hard with customers and tenants to find solutions that keep business moving and viable. The key, as is often the case with the ports sector, has been to take the longer-term perspective, seeing through the near-term uncertainties and volatility.

So we emerge into 2021 a bit buffeted but still sailing resolutely on. What are we looking at as the big shaping factors for the year ahead? 2020 has unfinished business – Although it is standard practice in new year predictions to treat the prior year as a closed book,

2020 won't be letting us go that easily. New surges of COVID-19 infections. A very strong demand picture for global container trades. The testing of new Brexit border processes and the requirement for improved Government approaches. All more to come in early 2021

Resilience part 1 – There has been a big rise in conversations with customers about increasing the resilience of supply chains. Those conversations – spurred by the combined drivers of pandemic and Brexit – will change how people work. More use of digital



solutions to drive transparency and agility of decision making. Physical solutions about the routing and holding of goods within supply chains. But always with the ongoing imperative to be cost effective.

Resilience part 2 – Resilience is about port operations themselves as well as the supply chains they support. 2021 will see which of the changes that ports have had to adopt to keep people and goods moving become structural. What is clear though is that an overall shift towards more flexibility and productivity has been made.

Sustainability – Climate change is even more of a priority than it was pre-pandemic. Hosting the 2021 COP is clearly focusing UK Government minds on further ambition and ports are ready to play their part in this. But environmental sustainability is broader – biodiversity, habitat management, water quality – and we are expecting more change on the wider agenda.

Freeports – 2021 is the year where we find out how real the UK freeports opportunity is. Significant bids are in development ahead of a February submission date for England. It will be fascinating to see what transpires, including any impact of the UK/EU trade agreement. But 2021 is also likely to see wider changes in the planning regime for ports as well. Good time to be a property lawyer.

2020 was a busy and tumultuous year. 2021 is shaping up to be just as busy, but also a formative one for the ports sector's future. You don't need to be Mystic Meg to predict that.

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