



## RETURNING TO RESILIENCE – “BOUNCING FORWARD”



This morning's news carried reports of travel disruption across several international transport modes – airlines hit by COVID staff absence, rail services hit by break downs, ferry operators hit by widely reported industrial relations fall out.

The last two years have seen the topic of supply chain resilience thrust back into the spotlight again and again. COVID, Brexit, Suez Canal blockages etc. But here we are again.

I was particularly prompted to return to the topic after attending the Logistics UK Supply Chain Resilience '22 conference. In addition to making my own modest contribution it was a great opportunity to step back slightly and think about the wider context and experiences of others. We benefited from a tour de force overview of the research on the topic from Prof Alan McKinnon of the Khune Logistics University and industry contributions from the likes of DHL and Wincanton.

A couple of stand-out points from the event which chime with the experience of major port operators:

- There is a fundamental shift in business attitudes underway, with only 14% of businesses in a Cap Gemini thinking that supply chain planning and operations will go back to a pre-COVID 'normal'
- One reason is that the refocusing in resilience is not a response to specific events, however large – it is also an adaptation to tectonic shifts like climate change and more contested geopolitics



- But this is not the end of global supply chains – polling for UKMPG demonstrates there’s been no decisive mood shift either from businesses or the public away from international sourcing. The cost advantages and perhaps more surprisingly environmental benefits mean there are still important benefits for businesses and consumers alike, vs wholesale reshoring
- What the ports and logistics sectors are seeing instead is organisations (sometimes less than happily) investing more in their supply chains systems and processes to mitigate the vulnerabilities in ‘lean’. Two crucial elements are first, physically, increasing inventory levels for key categories and secondly, increasing the visibility of supply chains both in terms of the movement of goods but also across their sourcing. On the latter, a particularly shocking juxtaposition of statistics was that only 2% of businesses have supply chain visibility beyond the 2nd Tier (McKinsey) whereas over 40% of COVID supply chain disruption occurred at 2nd Tier or beyond (BCI).

So, what does this mean for the UK’s major ports and their role in the reshaped supply chain landscape? The UK’s strong network of significantly sized and capable ports is in itself a powerful contributor to resilience – providing a range of options and competition for UK businesses.

And ports are more than just places for loading and unloading ships – they are broader logistics and multimodal transport hubs. With most major ports offering warehousing, a range of inland transport modes such as rail freight and a growing offering in digitised services they can provide the resilient solutions for challenging supply chain situations. All of which is of course underpinned by a constant focus on adaptability, productivity & dialogue.

In short, supply chain change is real, but the UK’s ports are adapting to keep the goods flowing that we all need. To borrow a term from Prof. McKinnon which became the phrase of the day, ports are ready and able to enable supply chains not just bounce back, but to “bounce forward”.

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The logo for UKMPG, consisting of the letters 'UKMPG' in a bold, blue, serif font. The letters are closely spaced and have a slight shadow effect.