



humber freeport

Britain's Global Gateway

Humber Freeport

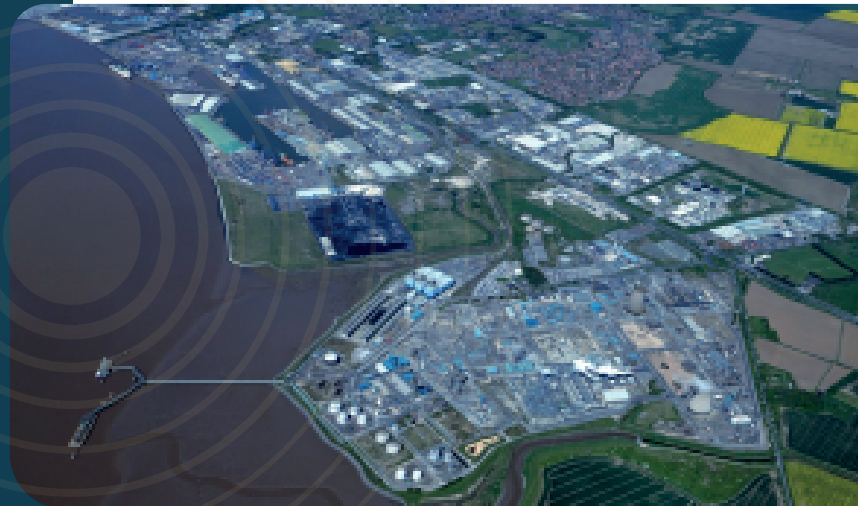
On the 3rd March the Chancellor of the Exchequer announced that the Humber was to gain Freeport status.

This followed a competitive bidding process which saw businesses from across the Humber area, as well as all four local authorities and two local enterprise partnerships come together to create a bid that proposes one of the most exciting economic transformations the area has ever seen.

Already home to the UK's busiest port complex including the four major ports of Hull, Goole, Immingham and Grimsby which combined handle around 17% of the nation's trade, the Humber Ports play a vital role as strategic assets in the fabric of the nation.

They handle the materials that supply 10% of the nation's energy, 25% of the UK's fuel for our vehicles, almost a third of our national timber supply and underpin the farming, food, retail, construction, automotive and pharmaceutical sectors. The economic impact of them is felt across the UK but especially the Midlands and the North of England.

Over the next few months, the consortium that put the bid together will be doing the work needed to get Humber Freeport up and running. In the meantime, this factsheet will hopefully answer some of your initial questions.



What is a Freeport?

Freeports are a special kind of port where normal tax and customs rules do not apply. These can be airports as well as maritime ports. At a freeport, imports can enter with simplified customs documentation and without paying tariffs. Businesses operating inside designated areas in and around the port can manufacture goods using the imports and add value, before exporting again without ever facing the full tariffs or procedures.

If the goods move out of the freeport into another part of the country, however, they have to go through the full import process, including paying any tariffs.

Freeports are similar to free zones, or 'enterprise zones', which are designated areas subject to a broad array of special regulatory requirements, tax breaks and government support. The difference is that a freeport is designed to specifically encourage businesses that import, process and then re-export goods, rather than more general business support or regeneration objectives.

Freeports are intended to stimulate economic activity in their designated areas. The main intention is to attract inward investment to build new facilities such as manufacturers or research and development facilities which bring jobs to an area, taking advantage of the incentives of being inside the Freeport zone.

What is proposed for the Humber?

Humber Freeport will take in a wide 45 kilometre area expanding across both banks of the Humber. Within the outer area there are two types of zones, each with different advantages aimed to stimulate economic growth. The two types are Customs Zones and Tax Zones.

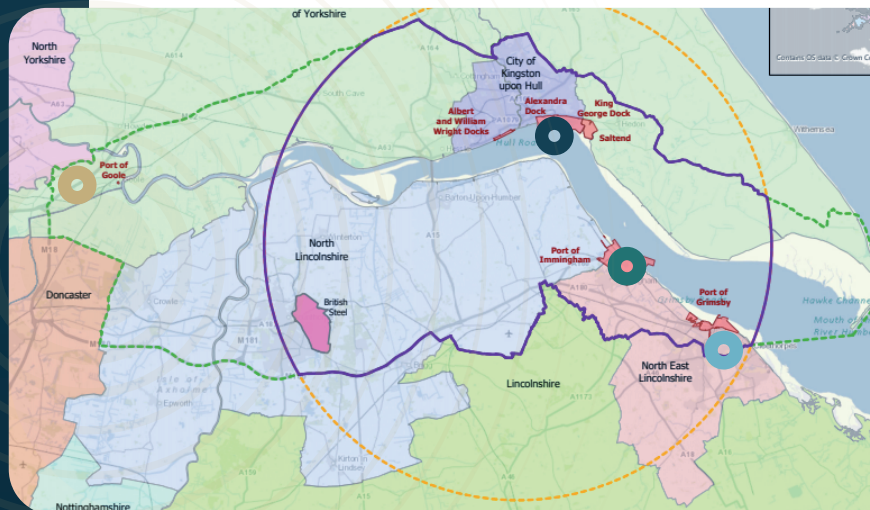
Humber Freeport Customs Zones

Inside the customs zone, port operators and other companies are able to defer tax duty and import VAT on goods. If a product comes from outside of the UK into the customs zone, such as a raw material or a component part, no tax is paid on that coming into the port unless it then leaves the port area and enters the UK. If a manufacturer or a producer is located inside the customs zone, it can handle those goods and use them to create their finished product. They would only pay tax on their product if it then enters the UK. They can export to an international market without paying tax.

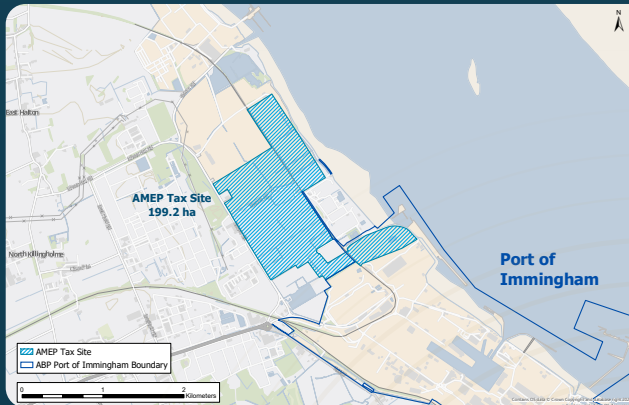
There are several new proposed customs zones to be located inside Humber Freeport, including the four main ports of Grimsby, Immingham, Hull and Goole, the manufacturing facility at British Steel and several other smaller terminals along the Humber, not operated by Associated British Ports.

These sites will now be undergoing an approval process with Government including HMRC.

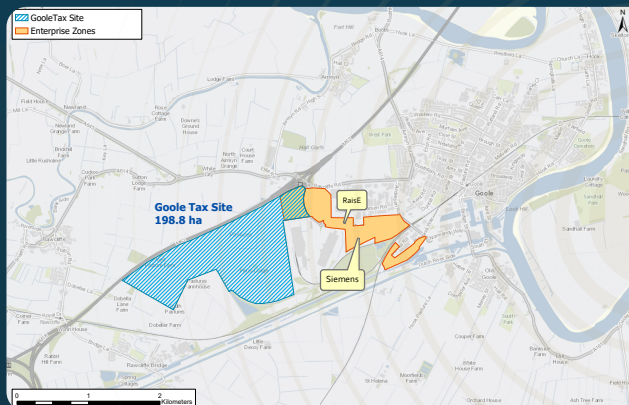
- Hull**
 - > Green Energy Jobs
 - > Decarbonisation
 - > Exports
 - > Customs Zone
- Humber South Bank**
 - > Green Energy jobs at Able Marine Energy Park
 - > Customs Zone at Immingham
 - Expansion of South Humber Industrial Investment Park
- Goole**
 - > Rail industry supply chain
 - > Innovation centre
- Customs Zones at Grimsby and Immingham**



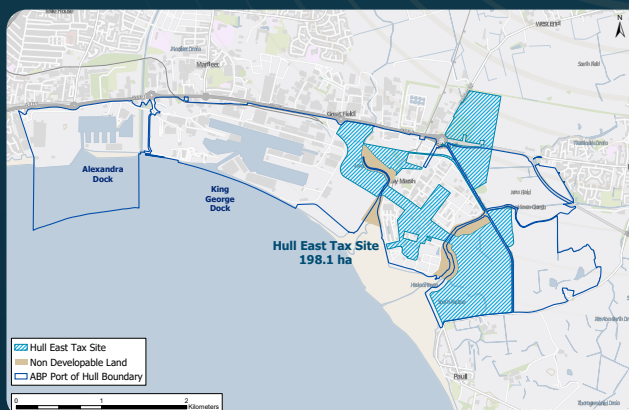
Able Marine Energy Park



Goole



Hull East



Humber Freeport Tax Zones

There are several advantages for being inside a new tax zones. These zones are specifically there to attract new businesses and stimulate new investment into the area. Benefits include accelerated capital allowances, relief from stamp duty and land taxes; relief from business rates and finally relief from employer's National Insurance contributions for the first three years of being operational.

In the **Humber Freeport**, there are three new tax zones proposed:

Able Marine Energy Park: This is centred on Able's proposed Marine Energy Park, with scope for rapid development in new offshore wind manufacturing jobs. The site also includes a portion of ABP's coal stock yard which can be redeveloped once the coal trade ceases in the next two years.

Goole: A unique opportunity to co-locate supply chain for the new Siemens rail factory (under construction). The zone takes in a large undeveloped site with excellent transport links. The zone is ideally situated to address deprivation in Hull, Goole, Scunthorpe as well as East Yorkshire (Doncaster, Wakefield)

Hull East: This zones takes in several different parcels of land. They are ABP's Humber International Enterprise Park, the Yorkshire Energy Park, Saltend Chemical Park and eastern portion of the Port of Hull. A new hydrogen plant is proposed within this zone as well as the opportunity to decarbonise Saltend Chemical Plant and create exportable surplus of hydrogen and decarbonised chemical products. The Yorkshire Energy Park offers immediate developable opportunities including incubation spaces and also the Saltend proposed site for Pensana plc, a rare earth processing plant which forms part of the magnet / battery supply chain for offshore wind and electric vehicles.

How will Humber Freeport be run?

The consortium which pulled the bid together is currently working on the next steps for the bid. Subject to Government approval, it is intended to create a company limited by guarantee to run **Humber Freeport**, with a Board made up of a mixture of the public and private sectors. This will take a few months to be fully up and running, but the aim is to have the Board and company established by the end the summer of 2021.

The Freeport entity intends to formalise its engagement with the wider Humber business community and to work closely with other entities across the region.

How do existing local businesses benefit?

We will know more about this as details emerge. However, it is the intention to incentive new investors to the area to use local suppliers, to boost existing businesses across the Humber. Businesses will also benefit from the general uplift in economic activity in the area catalysed by the freeport.

Who is involved in the Consortium so far?

These organisations have so far been involved in **Humber Freeport**. There is opportunity for much more too.



How can my land be added as a tax site or customs zone?

It is our ambition that if **Humber Freeport** is successful it will grow over time. However, it will take Government approval to add new sites into approved zones. We hope new Government guidance on this will be made available in the future to help guide how zones can be expanded.

Who do I contact for more information?

You can contact:

David Gwynne,
Humber Freeport Bid Director
david.gwynne@eurusconsulting.com

Dafydd Williams,
Head of Policy, Communications &
Economic Development for ABP
dafydd.williams@abports.co.uk