

Introduction of Port Infrastructure Charge from 1 April 2022

2021 saw some of the most fundamental shifts in supply chain and trading patterns in modern times, with the impacts of the COVID-19 Pandemic, legislative and physical impact of BREXIT and significant changes in Energy supply markets all having a material impact on our business model. The impact of these changes are still being felt in 2022. Throughout 2021 we took a pragmatic view, absorbing all increased costs, however this is not a sustainable long term position. 2022 is forecast to see over £8 million of additional direct costs to our business which can't continue to be absorbed.

In order to adapt to these changes new investment in infrastructure and assets at both London Container Terminal and Port of Grangemouth has been required. The investments have focused on improving resilience, preparing for new post Brexit border inspection regimes and to support decarbonisation of the supply chain. This equates to £20 million of infrastructure investment to date including:

- Increased storage capacity – Delays to customs processing and container collections have driven a substantial increase in land requirement for our unitised terminals requiring the acquisition of developable land allied with the creation of satellite storage depots. This has resulted in an additional 20 acres (14 in LCT & 6 in Grangemouth) of land deployed to handle a similar volume to 2020.
- New rail infrastructure – Investment to provide intermodal solutions to combat current and future challenges arising from haulage shortages and to offer alternative routes to market that delivers on decarbonisation targets.
- Border Control Posts - Following the legislative impacts of BREXIT the business has built and manned 2 new Border Control Posts and extended a third to ensure customers retain easy and rapid access to markets.
- Enhanced Trader Provided Free (TPF) Facilities for Government Agencies resulting in new offices for the designation of staff required to be on-site to administer statutory inspection requirements including wet stamping.

At Forth Ports we are focusing on optimising the supply chain by aggregating more cargo in port and more efficiently using our port facilities. Our focus is around building sustainable and resilient port facilities that support your sustained growth and long term capacity demands. These changes are capital intensive and require financial support (ongoing operational costs) to ensure their viability, therefore, from the 1st of April 2022 we will be introducing a new port infrastructure charge of £7.50 per container for all laden containers (excluding empties and transshipment). Please note import laden containers are charged to the nominated agent and export laden containers to the declarant and will be invoiced through the Community Systems (CNS and Destin8). Where no community system processing has been involved, Forth Ports will implement suitable arrangements to invoice the chargeable party through alternative means.

Whilst price increases are rarely welcome, failure to take steps now to address the rapidly changing market requirements would be to the detriment of the supply chain as a whole.

If you have any further questions, please do not hesitate to make contact to discuss further.