THE ATLANTIC AND ITS IMPORTANCE TO TRADE
– The EU Atlantic Sea Basin Strategy and the Opportunities of the Atlantic Gateway

North Americas have been and remain a key trading partner for both the UK and EU. This makes the North Atlantic trade lane one of the most important in the global shipping industry and it is vital that key port infrastructures within Europe are continually upgraded to reflect the demands of shipping across this corridor.

Perhaps one of the most strategically important infrastructure assets on this trade lane is the Panama Canal, which provides access between the Atlantic and Pacific Oceans, creating an all-water link between the Far East and the East Coast of North America. The Panama Canal is currently being widened and deepened to accommodate much larger vessels than those which can currently transit the canal. When completed in 2015, the canal will be able to accommodate container ships of around 13,000teu in size, nearly three times larger than the maximum vessel that can transit it today.

As a result of the wider Panama Canal expansion project, a number of East Coast North American ports are being redeveloped to provide access to deeper and wider vessels, which in turn enables services currently operating between Europe and North America to utilise larger vessels, creating multiple economies of scale benefits.

However the most exciting opportunities will be borne from the ability to create new shipping services. Prior to container ships becoming too large to transit the Panama Canal, much of the world’s trade moved on “Round-The-World” services. Post 2015, these will once again become economically feasible, offering unique opportunities for those countries on the Western face of Europe. These services typically link Europe through the Atlantic ports, as opposed to the key hub ports along the English Channel.

Liverpool is one such port, together with its connections via Manchester and the Manchester Ship Canal to large parts of Northern England. To this day it still remains a key trading hub between the UK and North America, with about 40% of all trade on this route passing through the Port of Liverpool. Indeed up to 2005, the Port of Liverpool was a regular port of call on the round the world services still operating at that time. To recognise these opportunities the North West of England has developed the Atlantic Gateway – a series of linked investments to take advantage of the trading position of Liverpool and Manchester which sit at the heart of Northern England, and the area between via the Manchester Ship Canal. The Port of Liverpool is investing over £300m in a new container terminal that will accommodate vessels up to 13,500teu in size. This investment is part of a broader strategy that will see a further £200m invested in port and logistics infrastructure along the 36-mile long Manchester Ship Canal, creating numerous tri-modal logistics hubs and an all water route into the heart of the UK. With these investments goods can enter the Port of Liverpool, travel up the Ship Canal (rather than the M62 motorway) and then being distributed across the North from Manchester. This will give considerable potential to drive economic growth and job creation on the back of these developments. For example the International Trade Centre being constructed at Port Wirral will enable over 1000 companies from countries such as China, India and Korea to exhibit, assemble, sell and distribute goods into the UK, Ireland and Europe and enable sectors such as manufacturing, technology and construction to access new and existing products at lower cost- thus delivering efficiencies and cost benefits. This in turn will support the development and growth of supply chains by enabling them to access emerging markets.

Whilst the investments in the Atlantic Gateway are primarily intended for the benefit of Northern England, it also offers potential savings and benefits to other Atlantic ports and countries too, including Ireland, Scotland, France, Spain and Portugal. As an example, the wider Panama Canal and the deeper Port of Liverpool provides alternative routing options for vessels from the Far-East heading East through Panama rather than West through Suez.
Cargo on these services can be trans-shipped at Liverpool, using existing coastal services from Liverpool to Scotland and Ireland and utilise empty “back-haul” ships to the Iberian peninsula and Western Mediterranean too.

Such new routes across the Atlantic will result in more direct services to these regions. Lower international logistics costs facilitated by these investments will enable Atlantic ports and their regions to trade more competitively on international markets whilst simultaneously reducing the carbon footprint associated with the current shipping solutions that rely heavily on major European ports such as Rotterdam, Felixstowe and Le Havre. This has the added advantage for the UK of avoiding goods destined for the North of England entering Southern ports and being transported by road through large parts of England.

The Atlantic Gateway is an ambitious strategy with the aim of creating 250,000 jobs (140,000 directly related to Atlantic Gateway projects) from an investment of £14bn on the back of this unique trading position. While considerable investment is planned, further investment will be needed in sites and key transport infrastructure to make the vision set out above a reality. Such developments also link with the European strategy for investment in key low carbon rail and canal transport networks. Examples of such investments which we believe should be reflected in the Atlantic Sea Basin strategy are:

- **Liverpool 2 at Seaforth** - a new deep river terminal that will have the capacity to handle the new larger, post panamax container vessels which are currently unable to dock on Merseyside. The investment will help realise a project which is expected to bring 5,000 new jobs to Merseyside and remove over 150m miles of road and rail travel
- **3MG (Widnes) and Parkside (St Helens)** - a complimentary logistics offer as part of Superport priority across the Atlantic Gateway geography
- **Port Salford** - a £138 million project with planning permission to develop the UK's first tri-modal (road, rail and short-sea shipping) inland port facility and distribution park on the Barton Strategic Site adjacent to the Manchester Ship Canal. Port Salford is a critical component of the Atlantic Gateway development with Peel as the main private sector partner, and will provide a central North West distribution base to improve supply chains for businesses across the North West. It will enable direct barge access to the river terminal at the Port of Liverpool and reduce the environmental impact of the terminal's expansion by reducing freight levels on road
- **Port Bridgewater** - The site provides unrivalled road and rail connectivity for 1.5m ft sq of warehousing
- **2nd Mersey crossing** - The Mersey Gateway Project is a major scheme to build a new six lane toll bridge over the Mersey between the towns of Runcorn and Widnes that will relieve the congested and ageing Silver Jubilee Bridge. It has been listed as one of the top 100 infrastructure projects globally
- **Manchester Airport City Enterprise Zone** - In March 2011, Manchester Airport was confirmed as the location of one of the UK Government's Enterprise Zones. Centred on the new Airport City development, businesses will be offered incentives to locate here in order to create new jobs and stimulate economic growth; locally, regionally and nationally
- **Sci Tech Daresbury** - In April 2012 Sci-Tech Daresbury was formally confirmed as one of the UK's enterprise zones. The Sci-Tech Daresbury Enterprise Zone will create 10,000 high quality jobs across several hundred technology companies, develop over 1 million square feet of specialised office, laboratory and technical space, generate over £200m/year of GVA and leverage over £150m of private sector investment
- **Mersey Waters Enterprise Zone** – The Mersey Waters Enterprise Zone was confirmed in March 2011 as one of the UK Government’s first Enterprise Zones. It is centred on the major commercial developments of Liverpool and Wirral Waters which are estimated to create over 50,000 jobs over a 30 year period and develop around 30mill sqft of commercial floor space
• Liverpool City Enterprise Zone is an Enterprise centred on the waterfront and main commercial district of the City of Liverpool and stretching north to take in the considerable opportunities in the city fringe area. Business will be offered a series of incentives to locate and invest in the area, creating and sustaining economic growth in the city and wider region.

It is vital that the opportunities of the Atlantic Gateway in the North of England and the investments required to make it a reality are fully recognised within the EU Atlantic Sea Basin strategy which as well as being focused on ecological issues has been amended to include a focus on:

• maritime transport to reduce carbon footprint (shifting freight from road to sea)
• jobs, growth and investment
• linking Atlantic regions and cities, connecting the transport, energy and information networks
• development of motorways of the sea
• the importance of ports and rail/ inland waterway connections with their hinterland as crucial for the ability to compete
• attracting international investment, international links and port investment.

all of which are supported by the Atlantic Gateway investments.

The partners in the Atlantic Gateway, in the North West of England, have a long history of delivering substantial economic, social and environmental improvements to the area over a long period of time. For example the partners have delivered significant physical regeneration and jobs growth such as the transformations in Liverpool and Manchester, as well as internationally significant improvements in the water quality in the Mersey Basin over the last 25 years, but more remains to be done. The partners can therefore help and support the delivery of the wider Atlantic Strategy.

The EU is therefore requested to include the Atlantic Gateway and investments such as those listed above in the Atlantic Sea Basin strategy.

Atlantic Gateway
www.atlanticgateway.co.uk