



Ports Industry Business Confidence Survey

September 2019

**British
Ports
Association**

Introduction

The **British Ports Association** (BPA) represents over 100 port members, which between them collectively manage in excess of 350 ports, harbours, terminals and piers located throughout the UK.

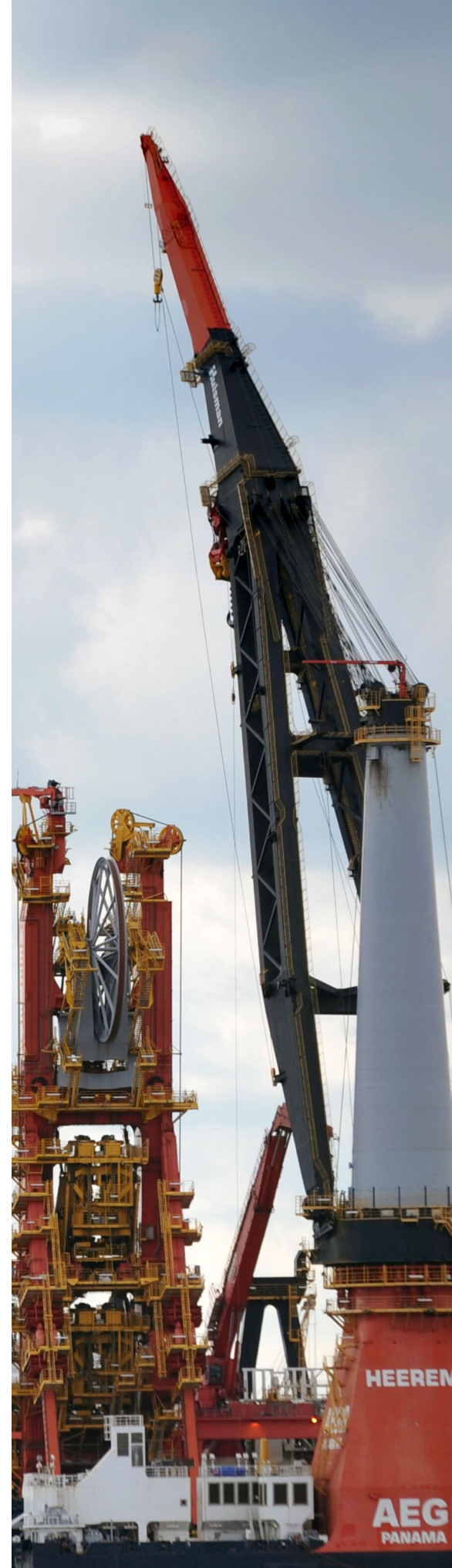
The UK ports industry plays a fundamental role in supporting the British economy. 95% of the UK's international trade – imports and exports – is carried through UK ports. As a result, the performance of the UK ports act as a barometer for the health of the national economy. When ports are confident about economic outlook and are performing well, it is often reflected more widely.

The UK ports industry is strong and resilient, investing large sums at no costs to the taxpayer. There is currently £1.7bn in the investment pipeline into new infrastructure. However, in times when national zeitgeist is centred on uncertainty and unpredictability, the voices of the British ports industry must be paid close attention to.

The BPA undertook a short survey to gain an insight into ports' executives outlook and analyse and reflect on the levels of business confidence currently held by those in the ports and maritime industry.

Data collection took place in August and September 2019. Surveys were circulated to Ports (both BPA members and non-members) as well as members of organisations within of the Maritime Industry, such as engineering companies, consultancies, insurance specialists or law firms. The surveys were completed by a range of senior executives and directors at a variety of ports and organisations, including those at all the leading ports across the UK.

Question topics range from revenue, skills, main concerns, perceptions of overall economic performance, as well as the impact of a No-Deal Brexit.



Business Outlook

How do you feel about the overall economic climate for the coming 12 months?

Port Professionals and Maritime Industry Professionals showed slightly different trends when asked about their view of the economic climate over the next year, with **Maritime Industry Professionals** appearing to hold a **more confident** outlook. Overall, this is not entirely positive data, as ideal circumstances would be both groups feeling 100% positive about the economic climate in the coming year. However, as we'll see regarding other responses, this does not appear to impact on their current performance.



37%

37% of **Port Professionals** feel **negatively** about the economic climate over the next year, compared to **29%** who feel positive.



51%

51% of **Maritime Industry Professionals** feel **positively** about the economic climate over the next year, while just **9%** felt negatively.

How confident do you feel about the business outlook for your port/company in the coming 12 months?



56%

56% of **Port Professionals** feel 'somewhat confident' with regards to their business outlook over the next year, compared to **30%** who feel 'not so confident'.



78%

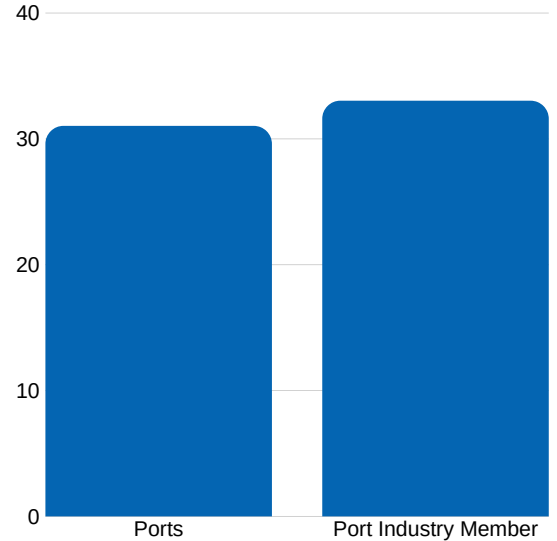
78% of **Maritime Industry Professionals** feel 'somewhat confident' with regards to their business outlook over the next year, compared to **15%** who feel 'not so confident'.

New Hires and Investment

Is your port/company hiring additional new people in the coming quarter (over and above your usual staff headcount)?

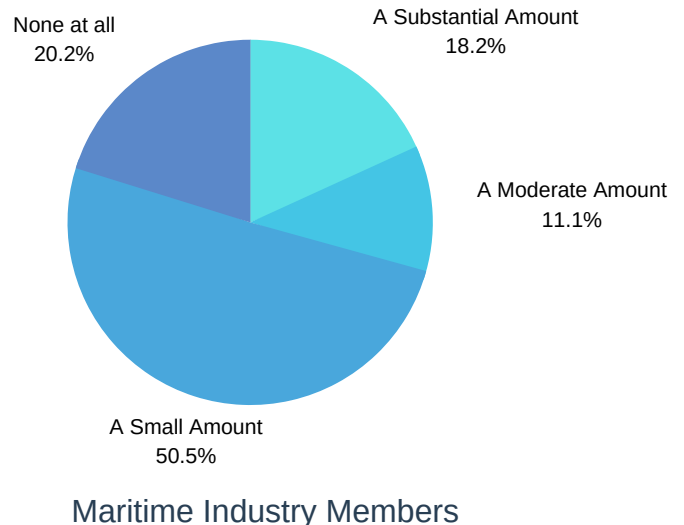
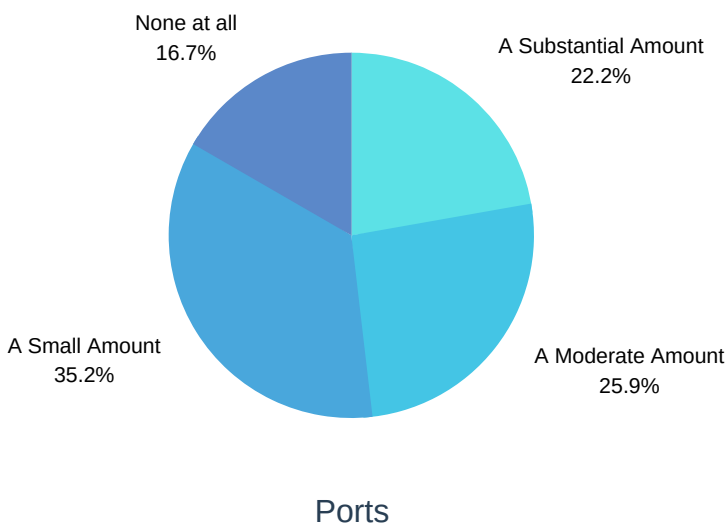
Ports and Maritime Industry Members reported very similar behaviour with regards to hiring new people this quarter. **31% of Ports Professionals** are hiring additional people, compared to **33% of Maritime Industry Professionals**.

This is a highly welcome finding, revealing that despite present uncertainty, a third of businesses are still expanding.



Is your port/company investing in new business services, property, or infrastructure in the coming quarter (relative to size of business)?

Again, responses to this question reveal highly positive results. **83.3% of Port Professionals** and **79.8% of Maritime Industry Professionals** are investing into their businesses.

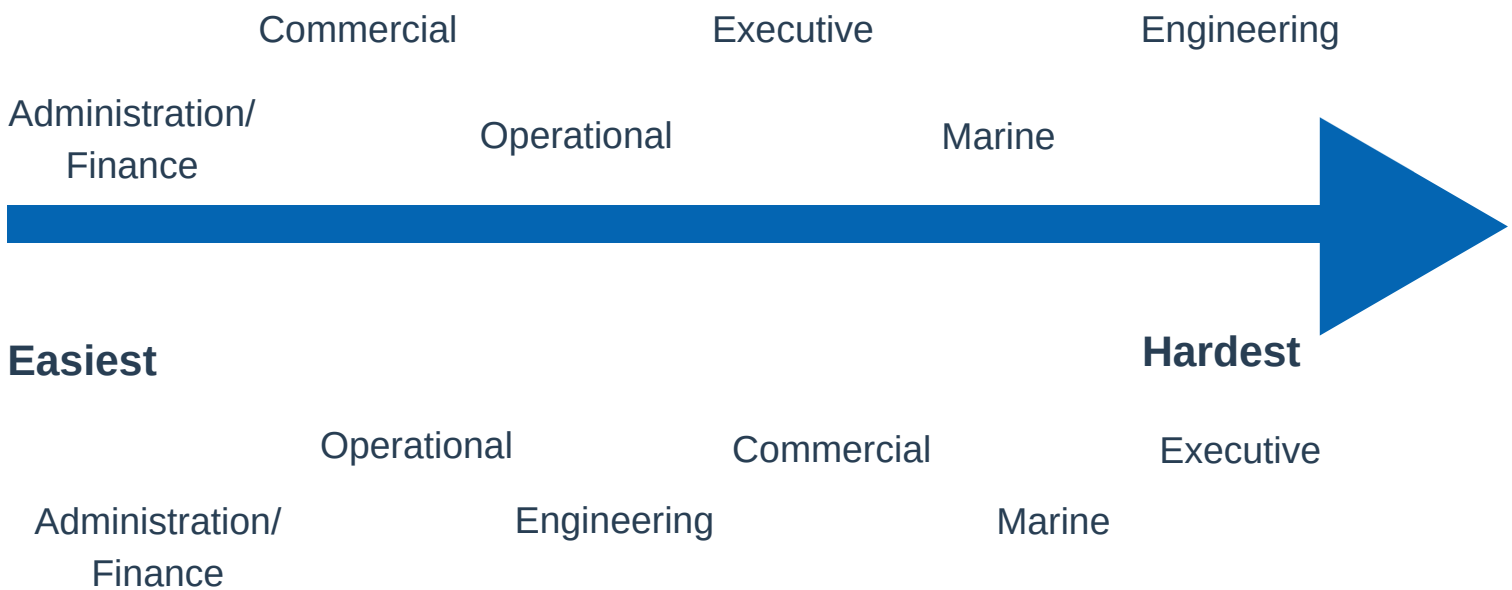


Skills

Due to the differences in business requirements of **Port Professionals** and **Maritime Industry Professionals**, how difficult each find the recruitment of certain skills is also very different.

The two groups give very different answers, though both agree that **Administration and Finance** is the easiest skill to recruit, and **Marine** and **Executive** skills are regarded by both as top three most difficult to recruit.

Port Professionals



Marine Industry Professionals

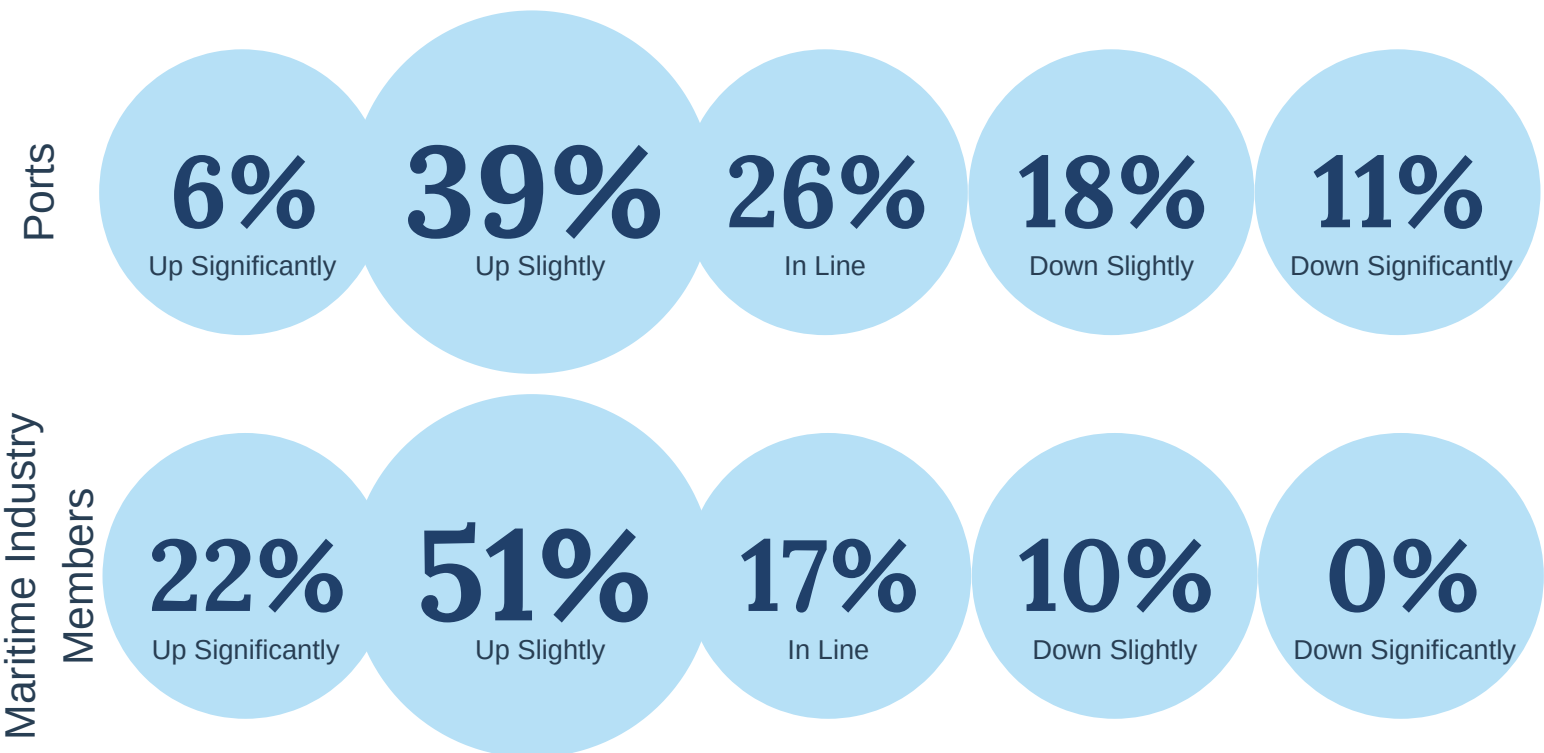
Revenue

How has your revenue changed since this time last year?

Overall, both Port Professionals and Maritime Industry Professionals gave positive responses to this question, with far more experiencing a rise in revenue than those reporting a decline. The most common answer for both groups was that revenue was 'up slightly' on this time last year.

Maritime Industry Professionals revealed highly optimistic results, with **51%** reporting revenue as 'up slightly', a further **22%** reporting that revenue was 'up significantly', and only **10%** seeing any decline at all.

Port Professionals also gave welcome data. Though **29%** saw some form of revenue decline on this time last year (either slightly or significantly). **71%** of Port Professionals reported that revenue was either in line or increased on last year.

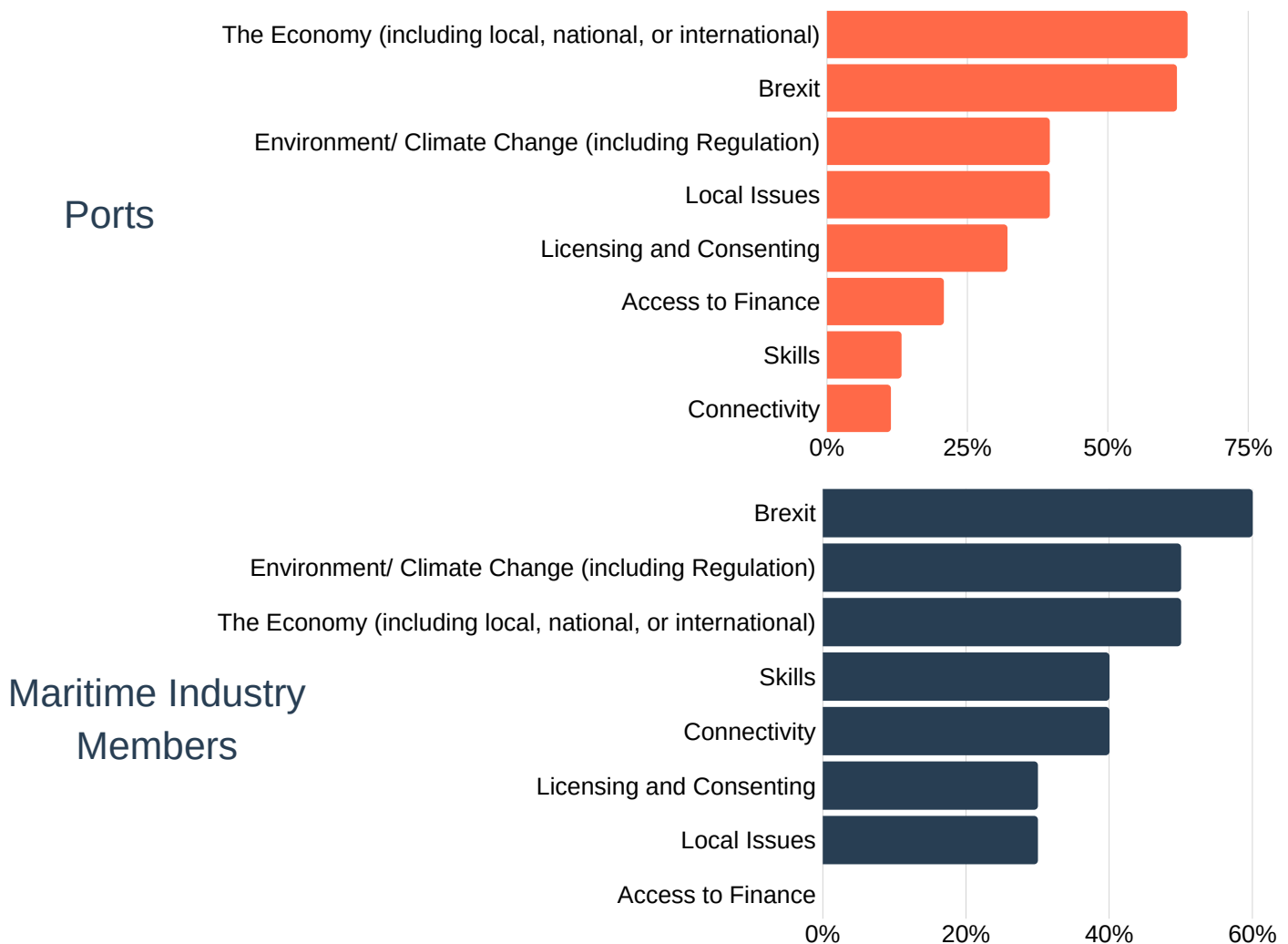


Business Concerns

What are your top three concerns for the port/company at present?

Port Professionals and Maritime Industry Professionals showed similar results with regards to their core business concerns. The most popular responses for both groups regarding their top three business concerns were the **Economy** (including local, national, or international), **Brexit** and the **Environment/ Climate Change** (including Regulation).

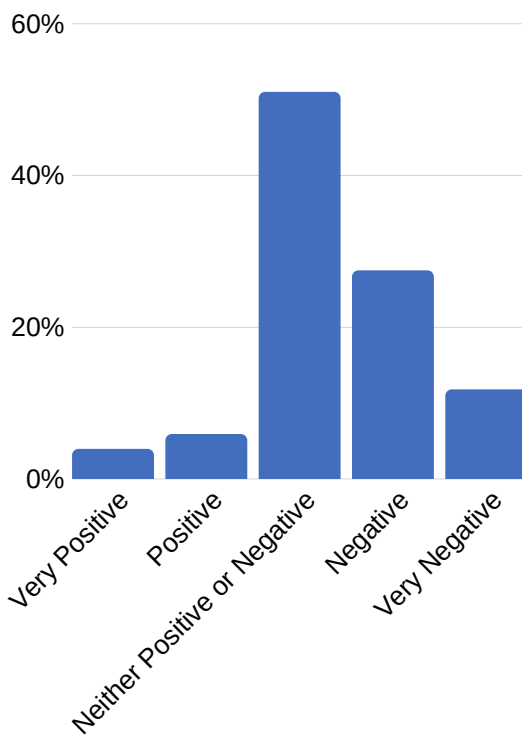
Skills and **Connectivity** appear to be more pressing issues for **Maritime Industry Professionals**, while **Licensing and Consenting**, and **Local Issues** appeared to be less so. Meanwhile, **Port Professionals** revealed that **Local Issues** were regarded as another key concern, followed by **Licensing and Consenting**. **Access to Finance**, **Skills** and **Connectivity** are lower down on the list, but are by no means unimportant for many ports.



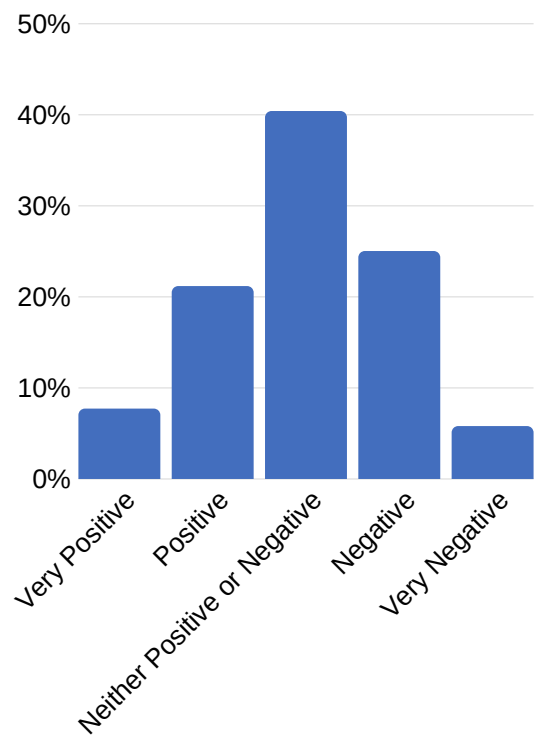
No Deal: Ports

What do you believe the direct impact of a No Deal Brexit would be for your port/company?

In the Short-Term:



In the Long-Term:



When asked about the impact of a No Deal Brexit, the most common answer for **Port Professionals** was 'Neither Positive or Negative'.

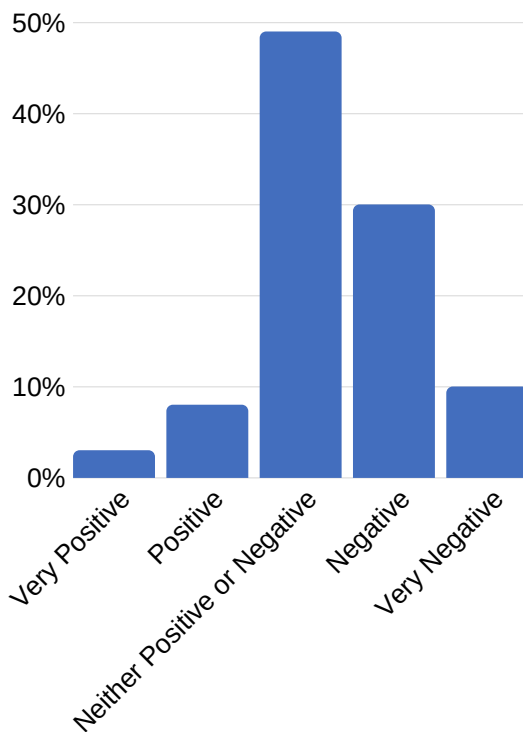
With regards to the short-term impact, their outlook is slightly more negative, with **39%** holding a negative outlook (either 'negative' or 'very negative').

In regards to the long-term, disagreement over the impact of a No Deal Brexit is far more prevalent, with **29%** holding a positive outlook, and **31%** holding a negative outlook.

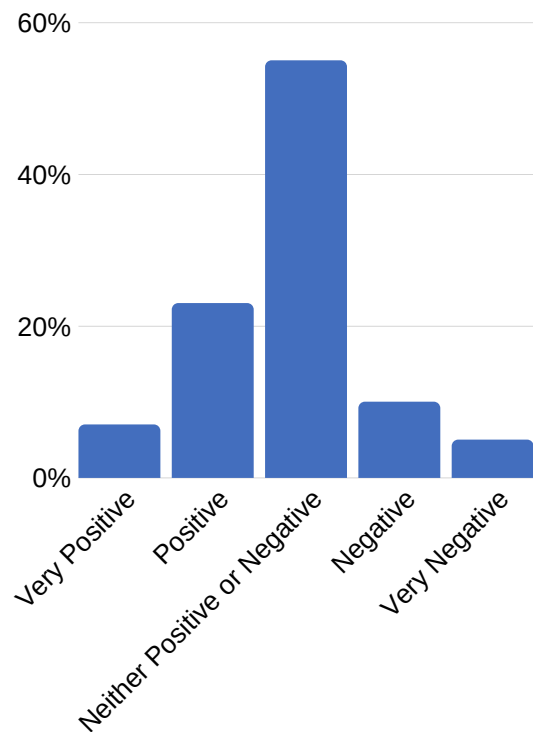
No Deal: Maritime Industry Member

What do you believe the direct impact of a No Deal Brexit would be for your port/company?

In the Short-Term:



In the Long-Term:



Maritime Industry Professionals show less extreme spread in their views over the impact of a No Deal Brexit. Like Ports, when asked about the impact of a No Deal Brexit, the most common answer was 'Neither Positive or Negative'.

For the short-term, Maritime Industry Professionals reported a slightly more negative than positive outlook, with **40%** holding a negative or very negative view. While for the long-term, the group showed a more positive than negative outlook, with **30%** holding a positive or very positive view.

Conclusion

Overall, the results show that **Port Professionals** and **Maritime Industry Professionals** are showing **strong performance**, typically seeing a **rise in revenue**, **investing in new services** and **hiring new people**, but there are some concerns about the future, particularly around wider economic performance.

Key Points:

- UK Ports policy is working and delivering a thriving and competitive independent sector. 83% are planning investment in new services or infrastructure and a third of ports surveyed are planning to hire new, additional, staff in the next year.
- Despite continuing political and economic uncertainty clouding the horizon, the majority of ports are confident about their business over the next year
- Two-thirds of port professionals are concerned about the economic outlook and a similar number are concerned about the impact of Brexit (which may be related). This is good news for the economy as jobs in the ports industry are 55% more productive than average

