

# Logistics – an Essential System for Growth

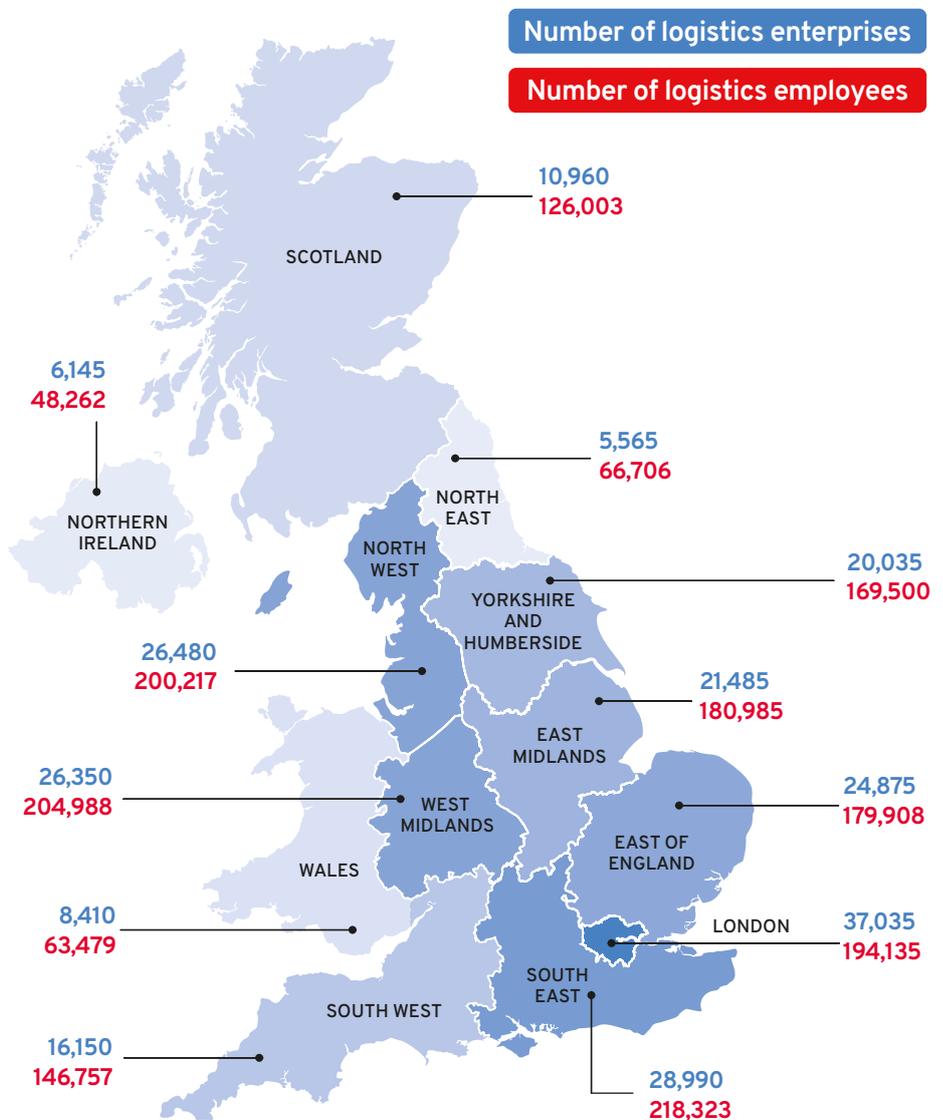
The logistics sector is delivering an increasingly safe, sustainable and efficient system of national infrastructure – creating opportunities across the UK and linking the UK to the global trade network. Spanning land, water and air, it delivers for everyone, everywhere, every day.

**Logistics delivers big public value on small margins,** ensuring the availability of the products households, businesses and public services rely on every day. It moves goods more than 200 billion tonne-km within the UK per year and enables the trade of more than £1 trillion of goods, while working hard to avoid adding pressure to the cost of living.

**Logistics delivers smart, green and resilient growth and jobs.** It contributes £163 billion to the UK economy a year, 12% of the country’s non-financial GVA, and employs 2.7 million people, accounting for over 8% of the UK workforce. It is becoming ever more innovative and integrated – within businesses and between logistics sites and transport modes, with its key hubs providing a catalyst for further growth and investment, helping places to thrive.

**Logistics delivers for the future, as an essential system for growth.** It underpins the whole economy, and, by putting logistics first, with the right partnerships, regulations and investment, government can supercharge the UK.

## 2.7 million people employed across the UK in making, selling and moving goods



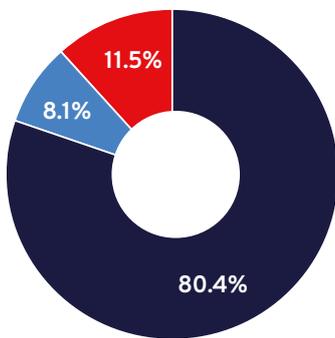
Source: Labour Force Survey, Office for National Statistics, Q3 2022

In addition to the numbers of employees on this map, there are an additional 890,000 people employed in logistics roles in non-logistics businesses, such as retail and construction, meaning there are a total of 2.7 million logistics workers in the UK.

**£163 billion**

The annual contribution of the logistics sector to the UK economy, 12% of the country's non-financial GVA.

Over 200 billion tonne-km of goods moved within the UK every year.



**Road** 167 billion tonne-km

**Rail** 17 billion tonne-km

**Water** 24 billion tonne-km

*Source: Road Freight Statistics, Department for Transport, March 2023 and Domestic freight transport moved by commodity, Department for Transport, 2022*

Enabling more than

**£1 trillion** trade in goods,

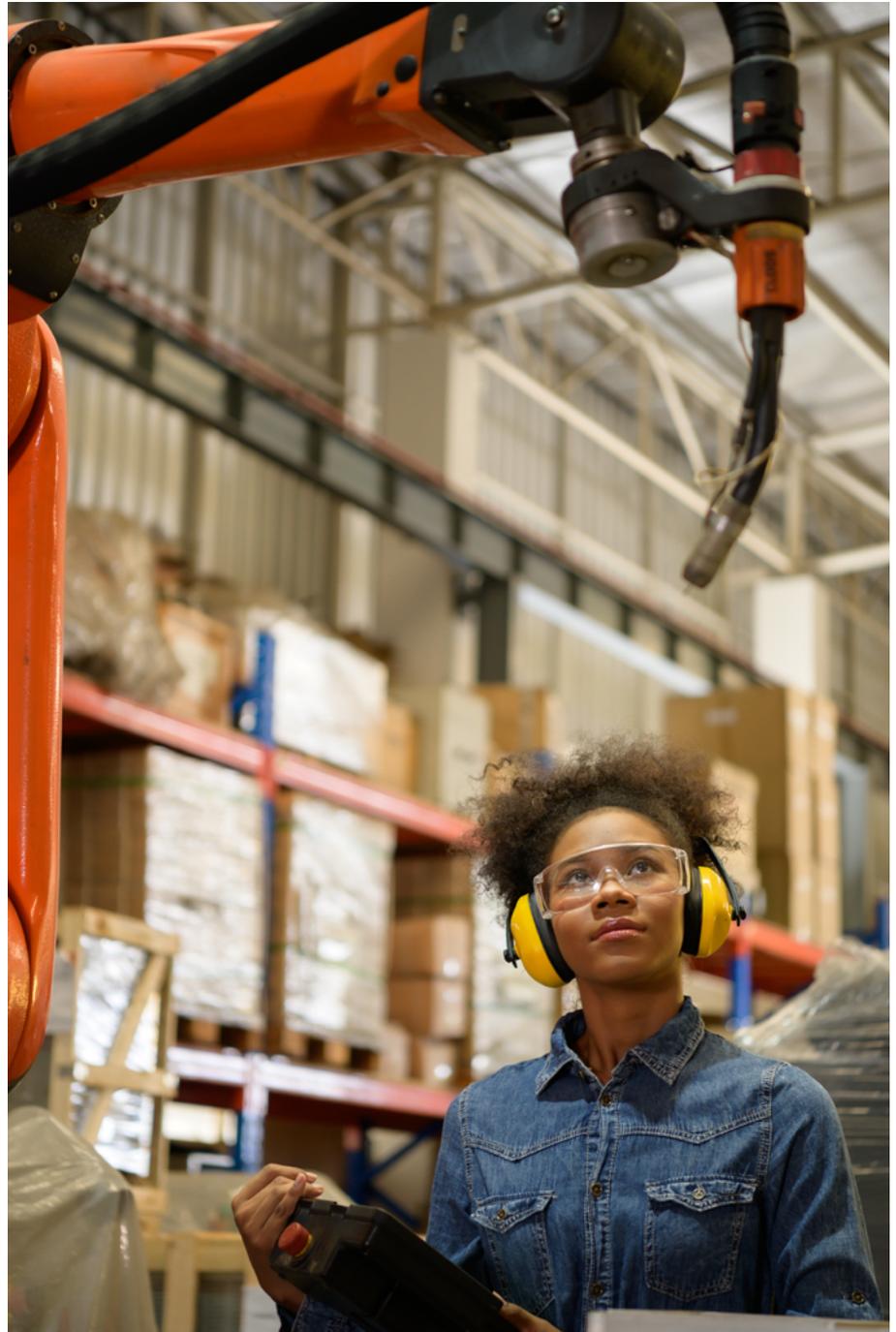
**£414 billion** of goods exports and

**£644 billion** in goods imports in 2022 through UK ports and airports.

**TOP 3 PARTNERS**

Export	Import
USA	China
Germany	Germany
Netherlands	USA

*Source: Trade in goods: country-by-commodity exports, ONS, 2022*



**Logistics is changing for the future**

- The logistics sector responded with agility to the challenges of EU Exit, the pandemic and the war in Ukraine.
- It has embraced the integration opportunities of new technologies and skills; has pushed e-commerce forward, responding to changing customer demands; is decarbonising; and has created efficient supply chains to connect Britain with the world.
- Today, logistics businesses are absorbing increasing costs, keeping prices down for customers, but this inhibits investment.

## Innovative and integrated infrastructure

The UK's logistics sector is becoming ever smarter and more integrated, within businesses and between logistics sites and transport modes.

The infrastructure it relies on also needs to become more integrated and multimodal too. Ultimately, the UK requires a productive, strategic and green national logistics network and an agreed approach to urban logistics.

### We are calling for:

- A 30-year infrastructure plan to deliver a national logistics network, incorporating major routes, hubs and international gateways and backed by activity at a devolved level.
- Reforms to national and local planning to back the logistics system.
- Investment focused on tackling the UK's top congestion hotspots plus better maintenance of existing strategic and local infrastructure.
- Innovation funding to be focused on the delivery of green, efficient and integrated logistics.
- Industry-informed and evidence-based standards and regulations, to deliver a safe, efficient and sustainable logistics system.

### Key moments in 2023 include:

- National Infrastructure Commission's autumn report.
- Response to the Union Connectivity Review.
- Publishing of RIS3.
- Call for Evidence on Planning and Freight.

## Fair transition to a green economy

The logistics sector is embracing the decarbonisation agenda and is committed to playing its part to help the UK achieve net zero.

To deliver a fair transition and unlock private investment, the sector needs greater visibility of plans for energy infrastructure, innovation funding and regulatory and tax incentives.

### We are calling for:

- A renewable energy infrastructure plan aligned to a national logistics network.
- A plan for low carbon and sustainable fuels across transport modes, air, land and water, incentivising use and production.
- A fair and equitable approach for funding electricity connections to enable depot charging and shore power at ports, plus a public chargepoint roadmap designed with businesses and a rolling programme of rail electrification.
- Regulatory reform to reduce the costs of operating electric vehicles.
- Capital expenditure tax incentives extended to leased electric vehicles.
- A dynamic mechanism for fuel duty and resolution to the patchwork of local road charging regimes.
- Engagement with the sector on national road charging.

### Key moments in 2023 include:

- Next steps for the Zero Emission Road Freight Demonstrator.
- Low carbon fuels strategy.
- Action plan to reduce energy connection timescales.



## Skills partnership to support a thriving sector

The logistics sector is investing in recruitment and skills to respond to the rapidly changing needs of businesses, the aging population and reduced migration from the EU – which are trends affecting all communities and parts of the economy.

To deliver for the future, building on the sector’s Generation Logistics campaign, further skills partnerships are required that reflect the breadth of high-quality roles across logistics.

### We are calling for:

- Logistics to be on the national curriculum.
- Reform of the Apprenticeship Levy into a Training Levy.
- Investment in and planning approvals for logistics facilities, to improve the welfare of logistics workers.
- Proper funding for logistics engineering and technician training courses to support an increase in colleges offering the courses.
- Monitoring and management of acute skills shortages, including through skills bootcamps and migration.

#### Key moments in 2023 include:

- Delivery of match-funding for roadside facilities.
- Migration Advisory Committee Shortage Occupation List.

## Trade backed as a driver of innovation and productivity

Logistics enables all international trade, and it has responded with agility to challenges such as EU exit, COVID-19 and the war in Ukraine.

Trade should be backed as a driver of progress, with simple regulations and borders, and sufficient infrastructure capacity at ports and airports. Delivering this means co-designing trade policy between government and the logistics sector.

### We are calling for:

- Trade policy codesigned between government and the logistics sector.
- Well-planned delivery of the 2025 UK Border Strategy to ensure borders are efficient and effective.
- Efficient implementation of the Windsor Framework to protect and grow Great Britain - Northern Ireland trade.
- Deepening of the Trade and Cooperation Agreement (TCA) with the EU to address logistical, regulatory, and administrative barriers to trade.
- Free Trade Facilitation Agreements and Free Trade Agreements that unlock market access and enable efficient trade systems.

#### Key moments in 2023 include:

- Design and implementation of the 2025 UK Border Strategy.
- Implementation of the Windsor Framework.

Logistics UK is one of the country’s largest business groups, representing the entire logistics industry and supporting, shaping and standing up for safe and efficient logistics.

Our membership of over 20,000 includes global, national and regional businesses and SMEs spanning the road, rail, maritime and air industries as well as the buyers of freight services, such as retailers and manufacturers.

As an organisation, we deliver services, representation and thought leadership, helping members and policy makers to seize new opportunities for the sector and the economy as a whole, right across the country.

To discuss how to support logistics, an essential system for growth, contact: [publicaffairs@logistics.org.uk](mailto:publicaffairs@logistics.org.uk)

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