

JULY 2024

# Logistics: underpinning Northern Ireland's economy

The vital role of logistics in driving growth



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## Logistics: underpinning Northern Ireland's economy

Logistics underpins Northern Ireland's economy, safely and efficiently delivering for its households, businesses and public services, every day.

To unleash the power of logistics to drive sustainable growth, Northern Ireland needs:

- A public-private partnership to unlock investment and enable logistics to maximise the benefit it can deliver. This should be backed by the development and delivery of a Northern Ireland logistics strategy.
- Innovative and integrated infrastructure, to enable the delivery of goods in the most productive, strategic and green way, and to better connect Northern Ireland to Great Britain, the Republic of Ireland, wider European and global markets. This must include long-term infrastructure plans and supporting the development and adoption of new technologies to support logistics efficiency.
- A fair transition to a green economy that keeps costs down and supply chains resilient, underpinned by a public-private roadmap for logistics decarbonisation and investment in infrastructure to support modal shift.
- Skills partnerships to support a thriving sector, with careers in logistics backed by effective strategies, increased skills funding and a sustained commitment to attracting people, ensuring businesses have a strong pipeline of talent to draw from and nurture.
- Trade backed as a driver of growth, achieved by maximising Northern Ireland's unique selling point and market access to Great Britain and the EU and by further easing Great Britain – Northern Ireland trade.



## A public-private partnership to boost productivity and sustainable growth across Northern Ireland

Logistics has a key role to play in delivering sustainable growth in Northern Ireland. The Northern Ireland Executive needs a partnership with logistics businesses to unlock investment and enable the sector to maximise the benefit it can deliver to the economy and communities.

- Logistics underpins the Northern Ireland economy, delivering for its households, businesses and public services, every day, via road, sea and air, strengthening connections, growing market access and encouraging innovation.
- Logistics is a major sector in its own right. More than 65,000 people are employed in logistics roles – nearly 8% of the Northern Ireland workforce, there are over 6,000 logistics businesses in Northern Ireland, making, selling and moving goods, and the wider transport and storage sector adds £1.5 billion to the Northern Ireland economy<sup>1 2</sup>.
- Logistics delivers for the future. It transformed Northern Ireland, from its ports and roads and, from the second half of the twentieth century onwards,

enabled revolutions in global trade and e-commerce. It is now innovating to deliver decarbonisation and even greater safety and efficiency.

- By prioritising logistics, policymakers can help deliver productivity gains that would supercharge UK GDP by up to £8 billion per year by 2030<sup>3</sup>.

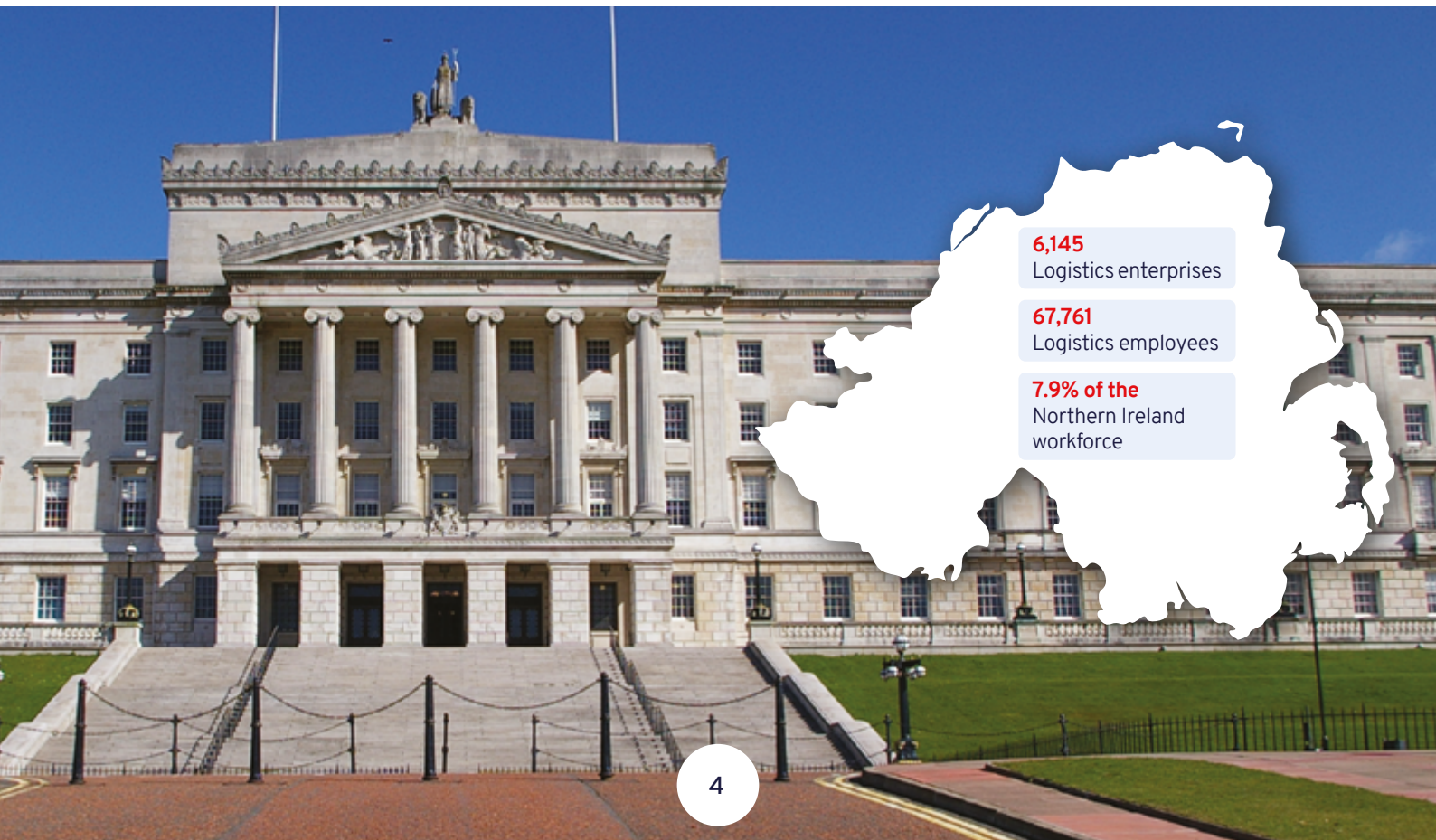
To drive this partnership forward and unlock further growth, the logistics sector needs:

- A Northern Ireland logistics strategy, covering infrastructure, planning, innovation, decarbonisation, skills and trade.
- The resolution of parity issues between Northern Ireland and Great Britain, including HGV speed limits, weight limits and driving licenses for electric vans.

<sup>1</sup> Source: Office for National Statistics, April 2024. Regional gross value added (balanced) by industry: all ITL regions

<sup>2</sup> Labour Force Survey, Office of National Statistics Q3 2022 and Q1 2023.

<sup>3</sup> Logistics: delivering a solution to the UK's productivity puzzle, Oxford Economics, 2023.



**6,145**  
Logistics enterprises

**67,761**  
Logistics employees

**7.9% of the**  
Northern Ireland  
workforce

## Innovative and integrated infrastructure

To unlock economic growth, Northern Ireland needs innovative and integrated infrastructure to enable the delivery of goods in the most productive, strategic and green way, and to better connect Northern Ireland to Great Britain, the Republic of Ireland, wider EU and global markets. This must include long-term infrastructure plans and supporting the development and adoption of new technologies to support logistics efficiency.

The logistics sector is becoming ever smarter and more integrated, within businesses and between logistics sites and transport modes – and the infrastructure it relies on needs to become more integrated and multimodal too.

### Investing in the Northern Ireland logistics network

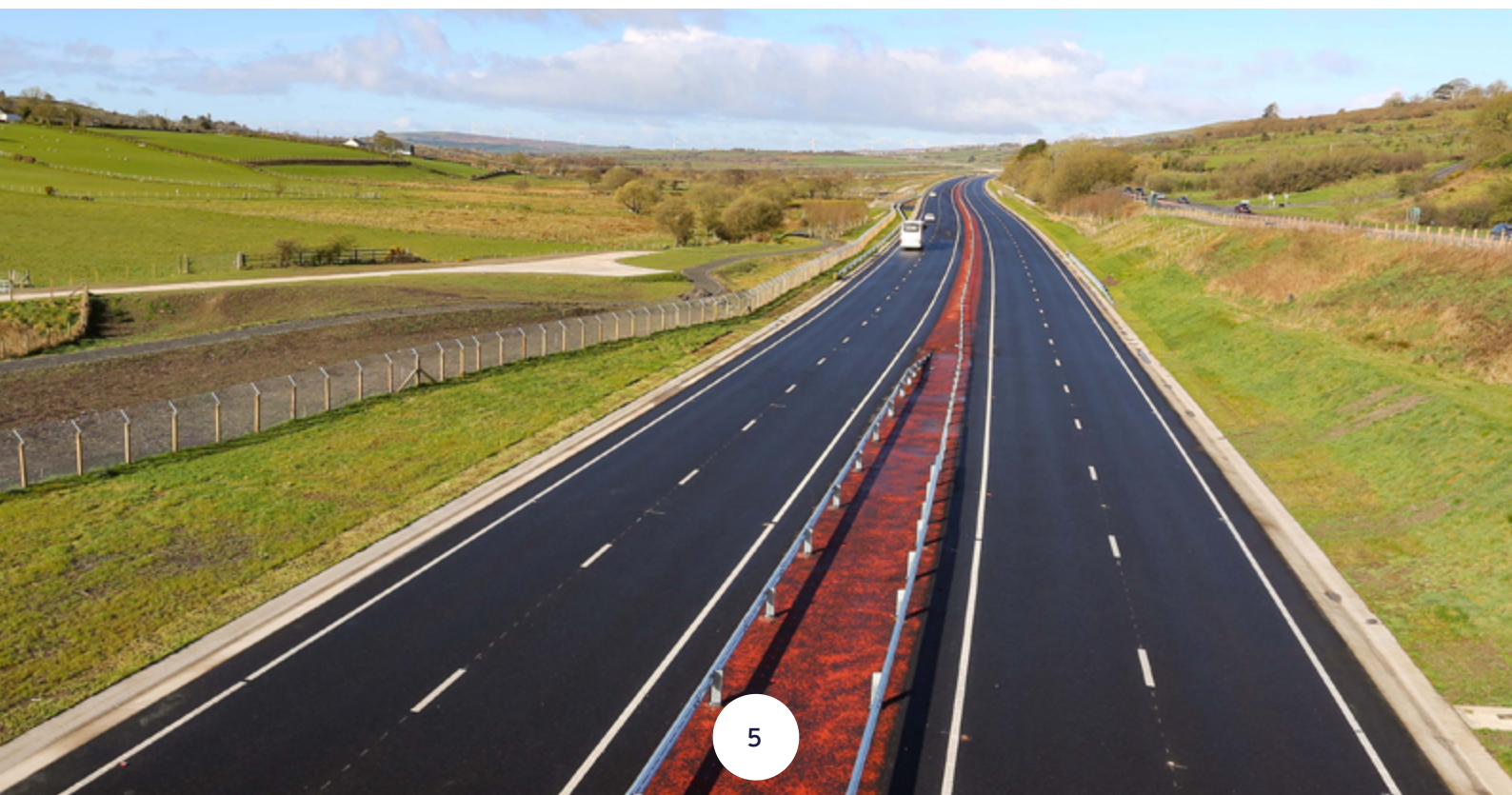
Logistics UK's infrastructure priorities to enable goods to be moved in the most productive, strategic and green way are:

- Delivery of York Street Interchange to improve journey efficiency and reliability and reduce congestion and emissions.
- Delivery of the A5 to improve road safety and improve connectivity and competitiveness in the West.
- Upgrade of the A1 to improve road safety and enhance the Belfast Dublin transport corridor.
- Delivery of the Newry Southern Relief Road to reduce conflict between local and strategic traffic,

and to improve access to Warrenpoint Port and other regional gateways.

- A strong and realistic role for rail freight as part of the All-Island Strategic Rail Review to enable efficient modal shift and reduce emissions.
- The establishment of an Infrastructure Commission to help set a long-term plan for infrastructure based on delivering sustainable growth.
- Driving logistics efficiency through innovation

Innovation plays a key role in enabling logistics to work as an efficient system. Logistics is leading the way in the use of robotics and AI, businesses are implementing new systems to support modal shift, adopting green technologies to reduce carbon emissions and are training people in new data-based skills. In fact, logistics is at the centre of introducing such cutting-edge technologies into the workplace. The logistics sector, SME innovators, investors and the Northern Ireland Executive must work together to create opportunities to develop new solutions.





To deliver the innovative and integrated infrastructure that Northern Ireland needs to thrive, we are calling on the Northern Ireland Executive to:

- Invest in its key freight transport corridors. Investment should be backed by a 30-year infrastructure strategy with five-year delivery plans focused on tackling congestion hotspots and achieving the most productive, strategic and green movement of goods.
- Invest in better maintenance of existing strategic and local infrastructure to improve reliability and safety.
- Harmonise with England and Wales on HGV speed limits – 50 mph on a single carriageway and 60mph on dual carriageways.
- Deliver planning reforms to enable the timely development of logistics sites, backed by a study on the valuation of freight and a standardised methodology for calculating logistics needs.
- Champion innovation that is delivering an increasingly safe, efficient, green and interconnected logistics system, including by providing funding to support SMEs to develop logistics solutions.

## A fair transition to a green economy

The logistics sector is committed to playing its part to help achieve net zero and recognises its responsibilities to help meet the targets of the Northern Ireland Climate Change Act. However, the sector is equally clear this must be a fair transition that keeps costs down and supply chains resilient.

This fair transition requires a public-private roadmap for logistics decarbonisation, covering both long distance and last mile journeys, and must include investment in energy infrastructure, low carbon fuel production and modal shift.

### A variety of approaches are needed

The logistics system is comprised of multiple transport modes and infrastructure types, meaning that a variety of approaches will be needed. Logistics businesses are investing in zero tailpipe emission road vehicles; introducing low carbon fuels, including sustainable aviation fuel; developing plans and calling for investment in rail electrification and clean maritime, including shore power at ports, to enable vessels to switch off their engines and plug into the grid whilst berthed; and are investing in modal shift to rail and water.

Improving transport corridors in Northern Ireland is also key. Investing in these corridors will reduce congestion and emissions, and investing in rail and maritime infrastructure will make modal shift more economically viable.

### Managing costs, maintaining resilience and seizing opportunities

The sector is investing in decarbonisation while operating on small margins, so must progress carefully to avoid inflationary impacts for households, businesses and public services. It is also responsible for maintaining resilient supply chains, so the technologies it adopts must work consistently.

Getting the transition right will create opportunities to unlock green investment in Northern Ireland, in ports and other logistics hubs, delivering benefit for the logistics sector and beyond. It will also deliver healthier communities, as a result of reduced emissions.

### Policy and infrastructure challenges

With net zero deadlines approaching, there is a growing risk that the energy infrastructure needed will not be delivered at the pace the sector requires. Public charging needs to be delivered with logistics in mind and

zero tailpipe emission HGVs remain unproven for long-distance operations.

There is also no agreed plan for the role low carbon fuels will play in the transition, despite being able to reduce emissions by up to 80%<sup>4</sup>, and provide a green solution for the many internal combustion engine vehicles that will be in use for decades to come.

In addition, there are a series of parity issues between Northern Ireland and Great Britain that must be resolved, to reduce the regulatory barriers to adopting electric vehicles.

Addressing these issues is vital to enabling a fair transition to a green economy that keeps costs down and supply chains resilient.



<sup>4</sup> Source: Zemo Partnership, *Market opportunities to decarbonise heavy duty vehicles using high blend renewable fuels*, 2021



## To deliver a fair transition to a green economy, we are calling for:

- Northern Ireland to support the development of a UK-wide co-created logistics roadmap to net zero and the phase-out of fossil fuels, based on the availability of technology and infrastructure.
- North-South collaboration to ensure consistency in the provision of energy to meet the needs of logistics businesses transporting goods across the island of Ireland.
- Investment in public charging for commercial vehicles, rail electrification and energy infrastructure, underpinned by the socialisation of connection charges, to support depot charging.
- Parity with Great Britain on 4.25 tonne electric vans, to enable drivers who hold a category B driver licence to drive an alternative fuel vehicle up to this weight if they are transporting goods, undertake compulsory training and are not towing a trailer.
- The rapid introduction of legislation to bring Northern Ireland into line with Great Britain on increased weight limits for zero emission vehicles.
- Investment in rail capacity and maritime infrastructure to support modal shift.



## Skills partnerships to support a thriving sector

To ensure resilient supply chains that can adapt for the future, businesses must have a strong pipeline of talent to draw from and nurture. This requires careers in logistics to be backed by effective skills strategies, increased skills funding and a sustained commitment to attracting people into the sector.

With roles in logistics unlocking opportunities from driving to robotics and delivering strong potential for social mobility, it is vital that the Northern Ireland Executive and educators work in partnership with our sector.



### Boosting access and appeal

The logistics sector is introducing cutting-edge technologies which are set to reshape the workplace, while also managing the pressures that come with an ageing population. However, too few people understand the breadth of the sector and the job opportunities it brings.

To challenge perceptions and attract new entrants, the sector is leading the Generation Logistics campaign – a collaboration between Logistics UK, CILT (UK), over 40 businesses and the UK government. The campaign is working. Research commissioned in September 2022, immediately before the campaign began, showed that only 10% of 18-to-24-year-olds and career switchers would consider logistics careers. By October 2023, the Generation Logistics campaign had increased positive sentiment towards a career in logistics by 170% and awareness of the sector by 11% amongst the above group.

Attracting people to logistics must be a team effort. As part of this, we want the Northern Ireland Executive and education providers to ensure young people and those looking for a new career have a true picture of our sector.

To support the welfare of logistics workers, and attract new and more diverse talent, Northern Ireland also needs improvements to facilities for logistics drivers as well as to identify new sites for additional safe facilities for logistics drivers.

### Reforming skills funding to support Northern Ireland's long-term needs

Continued skills shortages in key logistics roles, including drivers and vehicle technicians, are a symptom of a system that is not delivering for the future. This situation risks worsening as more electric and alternatively fuelled vehicles are introduced, which require different skills to maintain.

Despite paying into the Apprenticeship Levy, Northern Ireland businesses cannot draw funding from it for training, which is clearly unfair and inhibits skills provision. This money must be ringfenced, with businesses given the flexibility to draw it down to meet their apprenticeship and skills development needs.



To deliver skills partnerships in Northern Ireland to support a thriving logistics sector, we are calling for:

- A collaborative effort to promote the industry to young people and job seekers.
- School curriculum reform to include logistics content.
- A professional driving qualification offered in schools.
- Northern Ireland's businesses to be able to access the Apprenticeship Levy that they pay into.
- Faster planning approvals for facilities to improve the welfare of logistics workers, and such facilities made integral to road investment schemes.
- The proactive identification and development of transferable and cross-cutting skills needed by the current and future logistics sector.

## Trade backed as a driver of growth

To grow trade and the Northern Ireland economy, we are calling for Northern Ireland's unique selling point and market access to Great Britain and the EU to be maximised. We also want to see the further easing of Great Britain – Northern Ireland trade including through measures to address the added transport costs resulting from Northern Ireland's geographical location.

### Maximising Northern Ireland's position

Northern Ireland has a unique position, with frictionless market access to Great Britain, the Republic of Ireland and the wider EU. Maximising this opportunity requires the Northern Ireland Executive to work in partnership with the UK government and EU, including through the appointment of economic and trade envoys, to sell Northern Ireland as a unique destination to investors around the world.

### Mitigating the added costs faced by businesses in Northern Ireland

Logistics businesses importing to and exporting from Northern Ireland face the additional cost of crossing the Irish Sea, compared to those working within Great Britain. In addition, employment costs are a considerably higher share of turnover for businesses in Northern Ireland compared to other UK nations. Higher costs risk reducing trade and shipping line connectivity, and contributing to higher prices for consumers in Northern Ireland, who already have the lowest disposable income in the UK.

### Building on easements under the Windsor Framework

Trade thrives when borders and customs procedures are as frictionless as possible, processes are industry friendly, and transport connectivity is efficient. However, logistics businesses are having to adapt to significant changes in trading from Great Britain to Northern Ireland, including managing the additional complexity and costs of the post-Brexit environment.

Ahead of any further changes to trading processes, businesses must be given clear, detailed and timely guidance to enable them to plan and adapt. Partnership working between the UK and EU to build on easements and make trade more efficient under the Windsor Framework is crucial. A comprehensive sanitary and phytosanitary (SPS) agreement would significantly reduce, if not remove, administrative and cost burdens faced by logistics businesses trading Great Britain to Northern Ireland.

Regulatory divergence remains a challenge under the Windsor Framework. Early and robust mechanisms need to be put in place to assess and manage the impact of potential divergence on Northern Ireland businesses and consumers.

Northern Ireland exported goods to the value of £19.56 billion in 2022, enabled by the logistics sector. Northern Ireland's top export was manufactured products.

Northern Ireland also imported goods to the value of £19.65 billion in 2022.

Northern Ireland's top trading partners:

- 1 Trade with Great Britain accounted for 49.3% of total sales and 56% of total purchases.**
- 2 Trade with the Republic of Ireland accounted for 23.6% of total sales and 15.1% of total purchases.**
- 3 Trade with Rest of EU made up 11.7% of total sales and 11.3% of total purchases.**
- 4 Trade with Rest of World made up 15.4% of total sales and 17.6% of total purchases.**



## To back trade as driver of growth, we are calling for:

- Clear and timely guidance to be issued to logistics businesses to enable them to plan and adapt to new trading processes.
- UK and EU to work together to build on easements under the Windsor Framework including via a comprehensive SPS agreement to simplify and ease trade.
- Robust mechanisms to be in place to assess and manage the impact of potential UK-EU divergence on Northern Ireland businesses and consumers.
- Northern Ireland's unique selling point and market access to Great Britain and the EU to be maximised by the Northern Ireland Executive working in partnership with the UK government and EU, including through the appointment of economic and trade envoys, to sell Northern Ireland as a unique destination to investors around the world.
- The maintenance of Freight Transport Relief to mitigate the higher costs facing businesses in, importing to and exporting from Northern Ireland.

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 more than 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 policymakers to seize new opportunities for the sector and the economy as a whole, right across the country.

To discuss how logistics underpins the Northern Ireland economy and can drive sustainable growth, contact: [publicaffairs@logistics.org.uk](mailto:publicaffairs@logistics.org.uk)

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Registered in England Number 391957

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03.07.24/BG 001086