

**Hampshire Chamber of Commerce**

**Planning and Transport Business Strategy Group**

**Policy paper**

**February 2020**

**Subject: Freeports**

**Issue**

The government has issued a consultation on the creation of Freeports to boost economic activity across the UK, ensuring that towns, cities and regions can begin to benefit from the opportunities of leaving the EU. As part of this work, the government aims to create up to 10 freeports in locations across the UK.

Freeports aim to:

- have different customs rules than the rest of the country.
- be innovative hubs,
- boost global trade,
- attract inward investment and
- increase productivity
- generate employment opportunities to the benefit of some of the most deprived communities around the UK.

The government has drawn on evidence from successful Freeports around the world to develop a UK model which includes tariff flexibility, customs facilitations and tax measures to incentivise research and cut the cost of hiring. It is considering planning reforms, additional targeted funding for infrastructure improvements and measures to incentivise innovation.

Freeports are secure zones, usually located at seaports, where business can be carried out inside a country's land border, but outside its customs regime. Typically, they allow companies to import parts and raw materials and process them with minimal paperwork and without paying duties. Those products are then either exported duty free or if they enter the domestic market are subject to normal customs controls.

The deadline for comments is 20 April 2020.

**Considerations**

Freeports can be any size of geographic area. They can have virtual boundaries, rather than hard infrastructure borders.

Any area in the UK can be designated a Freeport, but currently The Port of Southampton, Solent Gateway and Portsmouth Docks are seen in Hampshire as priorities by the Solent LEP.

Southampton did have a Freeport area designation until around 2008, when the freedom of goods area of the EU dispensed with the need for a separate area.

There is no one definition of what a Freeport is and what it can offer.  
There are concerns that Freeports need to be secure and strictly regulated to avoid fiscal leakage.

### **Group policy position**

In principle we are agreed with the need to promote Southampton and Portsmouth docks as becoming Freeports on the following basis:

- Ensuring there is added value provided in having such designation
- Ensuring that additional jobs and economic activity are achieved for the Solent area.
- Ensuring that activities do not detract from existing Hampshire businesses
- That the Solent LEP produces a strong business case for Freeports, in association with the Chamber of Commerce, which proves additional inward investment and jobs will follow.
- That additional land is allocated in or close to the Freeports for employment and logistics usage.
- That any planning and tax reforms are not provided to the detriment of areas and businesses outside the Freeport area. (i.e nitrates issue mitigation, air quality standards, visual planning considerations, transport infrastructure, undermining other industries through commercial advantages etc)
- That administration and policing of Freeports is secure and strictly regulated to avoid mis-use, fiscal leakage and undermining of national interest.

Produced by Mark Miller, Chair

17 February 2020