

**The Port of London** is at the centre of Europe's most prosperous market, with over 23 million people living within a three-hour drive of the Port. The Port continues to play a crucial role in the economy and wellbeing of the south east region, as well as regions further afield. Not only is it the UK's second largest port and the biggest in the south by volume, but it is the largest port in the UK in terms of handling non-fuel cargoes.

The Port of London plays a pivotal role in thousands of supply chains, with a huge variety of cargoes handled by over 70 independently operated wharves, terminals and port facilities along the tidal River Thames.



**The Port of London Authority** (PLA) is a statutory authority. Its prime responsibility is for safety of navigation and conservancy on the Thames from Teddington in west London out to the Sea – a distance of 95 miles – where there are more than 20,000 commercial vessel and 200,000 leisure craft movements a year.



London River House  
Royal Pier Road  
Gravesend  
Kent  
DA12 2BG  
Tel +44 (01474) 562200  
Fax +44 (01474) 562281  
Email: info@pla.co.uk  
www.pla.co.uk



**PORT OF LONDON:**  
Economic Impact Study – Summary

**£3.7 billion**  
of Gross Value Added annually

**46,375**  
full time equivalent jobs

**£4.8 billion**  
of investment projected over next ten years



**Summary**

The Port of London is the second biggest in the UK and contributes substantially to the economies of London and the South East region. More than 50 million tonnes of goods and materials are handled in the Port every year, providing many of life's essentials.

The Port is a large employer of labour and a significant generator of economic activity. To assess the size of this contribution, the Port of London Authority (PLA) commissioned an economic impact study from consultants SQW Limited. The main findings of the study are summarised in this report.



**The study**

The Port of London is made up of over 70 independently run terminals and wharves along 95 miles of the tidal Thames from Teddington Lock to the North Sea. The study covered port and port-related activities in the riverside boroughs and districts within the Port of London. Major operations in the Port include the Port of Tilbury, Petroplus oil refinery at Coryton, Ford plant at Dagenham, building materials operations such as Lafarge and Cemex and the Tate & Lyle sugar refinery at Silvertown.

**The new study identifies three particular types of economic impact:**

- **Direct impact**
  - jobs and wealth created by Port and shipping facilities, activities and services
- **Indirect impact**
  - jobs and wealth created by the suppliers of goods and services to these Port and shipping operators
- **Induced impact**
  - jobs and wealth created by the local services purchased by the households of these workers

The findings in this summary are based on a comprehensive study and interviews with more than 136 firms operating in the Port of London. Face to face interviews were carried out with most of the main terminal operators and telephone interviews were undertaken with the other firms.

**The main categories of firms interviewed were:**

- Port operators and processors;
- Port regulatory services, such as port health, customs and immigration;
- Ship and boat operators for both passengers and freight; and
- Port and ship suppliers such as line agents, shipping agents and land transport contractors.

The survey was carried out between October 2008 and January 2009. It was part of wider research into the economic impact of the Thames Gateway Ports which was commissioned by the PLA, Peel Ports Medway and the Department for Communities and Local Government. This summary covers the results for the Port of London only.

## Main findings

The main findings of the study were:

### Direct Economic Impact

**£2.449 billion**

estimated contribution to London and South East regional economy.

Value contribution: (£ million)

Port operators and processors	£1,197
Port and ship suppliers	£1,029
Ship and boat operators	£174
Regulatory services	£49

Value contribution by area:

Greater London	£711m
Thurrock and Essex	£1,197m
Kent & Medway	£293m
Rest of UK and overseas	£248m

### Overall Economic Impact

**£3.745 billion**

estimated total contribution to London and the South East economy combining direct, indirect and induced impacts.

Largest concentration:

Thurrock	£1,034m
Barking and Dagenham	£253m

### Overall Employment

**46,375**

estimated full time equivalent jobs (FTEs) direct, indirect and rising from.

Largest concentrations:

Thurrock	10,510
Barking and Dagenham	4,944

% of total employment by area:

Greater London	32%
Thurrock and Essex	28%
Kent & Medway	10%
Rest of UK and overseas	30%

### Direct Employment

**29,088**

jobs which split into four main groups of direct activity.

Split of direct employment:

Port operators and processors	41%
Port and ship suppliers	39%
Ship and boat operators	18%
Regulatory services	2%

% of direct employment by area:

Greater London	36%
Thurrock and Essex	41%
Kent & Medway	11%
Rest of UK and overseas	12%

## Employment and economic impact by area



## Detailed statistics

### Economic Impact of the Port of London

	Greater London	Thurrock & Essex	Kent	Other UK & Overseas	Total
Direct Jobs	10,533	11,847	3,073	3,635	29,088
Indirect Impact (supplier effect)	3,188	206	885	9,482	13,761
Induced impact (income effect)	1,049	954	907	616	3,526
<b>Total Employment</b>	<b>14,770</b>	<b>13,007</b>	<b>4,865</b>	<b>13,733</b>	<b>46,375</b>
Direct GVA* (£m)	711.2	1,196.7	292.8	247.8	2,448.5
Indirect impact (£m)	267.8	17.3	74.3	796.5	1,155.9
Induced impact (£m)	42.1	38.1	36.3	24.9	141.4
<b>Total impact (£m)</b>	<b>1,021.1</b>	<b>1,252.1</b>	<b>403.4</b>	<b>1,069.2</b>	<b>3,745.8</b>

\* Gross Value Added

### Summary of Employment and Economic Impact by Sector

	Port operators and processors	Port regulatory services	Ship and boat operators	Port and ship suppliers	Total
Direct	11,848	641	5,241	11,358	29,088
GVA (£m)	1,197	49	174	1,029	2,449

## Future prospects

### Investment Intentions

**162**

separately reported plans for expansion, development, restructuring and other changes in the Port. The majority of firms in the Port expect to invest in the development of their operations over the next five to ten years.

### Five year Investment

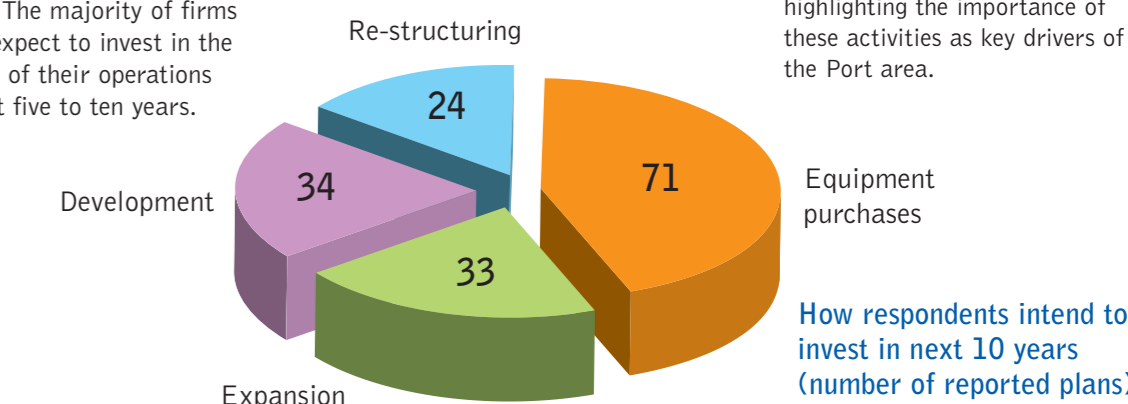
**£1.5 billion**

planned investment in the Port of London over the next five years.

### Ten year Investment

**£4.8 billion**

over the next ten years, the majority of this investment is from Port operators and processors, highlighting the importance of these activities as key drivers of the Port area.



### Total land stock

**11,000 hectares**

related to the Port of London, most of which is located in Barking & Dagenham and Thurrock. The majority (59%) is held by Port operators and processors.

### Trends and issues

**+40%**

of the companies surveyed thought that port land should be safeguarded in planning policies, particularly downriver of the Thames Barrier, in the face of continuing development pressures for housing and other uses on riverside sites. Increases in ship size were not widely anticipated and respondents felt that the movement of Port activities down river to deeper water was now largely complete.

### Operational constraints

**36%**

of all Port companies think that land or access constraints could limit their operations over the next five years and 24% reported that they currently have insufficient land for their future investment plans over this period. The 'major constraints' to operations identified by terminal respondents are existing plot size and a lack of space for expansion. Environmental impact, length and depth of berth and approach were also stated. Some firms were mainly concerned about labour supply and skills.



### Creating New jobs

**12,000**

are estimated to be created through the London Gateway Port scheme at Shell Haven. Other major developments include, a riverside roll-on/roll-off berth at the Port of Tilbury, a new clean coal fired power station at Tilbury.

