

# copper



## Attitudes to freeports

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Public awareness and understanding  
of the Chancellor's flagship policy

## Foreword

**As the voice for the UK's largest port operators, you would expect the UK Major Ports Group to welcome the designation of eight new freeports earlier this year. For the ports sector to be at the forefront of the Government's plans for boosting long term investment and jobs growth for the UK was, of course, hugely encouraging.**

But, while the Chancellor's announcement presents a significant opportunity for the eight winning bids to really deliver on their potential for national and local economies, they can only do so by bringing local communities and stakeholders with them on the journey.

Communicating their ambitions in a clear and compelling way to engage stakeholders and communities in the regions they serve is therefore a clear priority. Copper's research shows there is work to do to raise public awareness about the positive benefits of freeports, suggesting a challenge for the selected freeport consortia to paint the picture of their contribution to a thriving post-COVID Britain. But the research also shows that there is space for such a case to be made, with many people in the undecided camp.

Whether they have freeport status or not, ports can have a catalytic impact on regional economies and are major employers in their own right. Add to that the potential to be launch pads for innovative, clean growth and it is not hard to see why the Chancellor has given the sector such public backing.

Of course, that potential is not limited to freeport locations. Ports more widely are looking to capitalise on opportunities presented by policies such as the Super Deduction and planning flexibility which encourages investment. Plus we are continuing the dialogue with Government about how some pro-investment aspects of the freeports tool box can be used more widely. A better public recognition of the multi-faceted role of ports in society supports these efforts too.

So the hard work begins now – not just to deliver the physical infrastructure and commercial deals which will make freeports a reality, but to ensure the British public are behind this and other efforts to put ports at the centre of kick-starting our economy. By telling our story better we can help to write a new chapter on our sector's proud history as the gateways for 95 per cent of the UK's imports and exports and as crucial contributors to wider sustainable prosperity.

**Tim Morris**

*Chief Executive  
UK Major Ports Group*

## Introduction

Championed by the Chancellor, Rishi Sunak, freeports have emerged as a flagship policy in the government's 'levelling up' agenda as a means to turbo-charge post-Brexit and post-COVID economic recovery by encouraging international trade. Following the announcement of eight successful bids in March's Budget, we wanted to explore awareness and understanding of the freeport model amongst the public – and what this could mean for the fledgling freeports and others still intent on achieving designation.

The stated aim of freeports is to promote regeneration and innovation through a package of tax relief, simplified customs procedures and streamlined planning. However, some critics have characterised them as 'sleaze ports', raising concerns about their potential as shelters for tax avoidance and cannibalising existing businesses and jobs. We set out to understand where the public stands on this spectrum, and whether views varied between different parts of the country.

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From a nationally representative sample of 2,000 people surveyed two weeks after Sunak's Budget announcement, awareness is highest in the North East – home to one of the most vocal advocates for freeports in Tees Valley Mayor, Ben Houchen. And while there are mixed views on the impact they will have, there is a desire to see a range of stakeholders play a part in governing them.

As Tim Morris, the Chief Executive of the UK Major Ports Group, says in his foreword, designation is just the start of the journey for successful freeport bids. A continued focus on communications and stakeholder engagement will be vital to the ongoing success of these flagship initiatives.



## Key findings



Most of those aware of freeports felt they had an understanding of how they work, with more than two thirds saying they 'completely understand' or 'understand to some extent'.



There was agreement that freeports will boost UK exports and create jobs, but statements around clean growth and innovation were less well supported.



Despite their headline-grabbing announcement in the Budget, nearly half of respondents were not aware of freeports.



Despite some recognition of the positive impacts freeports could have, this did not appear to translate to a clear view that they will make a positive difference to the regions they serve.



Views were mixed on whether freeports would have a positive or negative impact, with just under a quarter of people thinking they would have no impact at all.



There was support for a range of stakeholders having a role in the governance of freeports – including port workers, businesses and local residents.

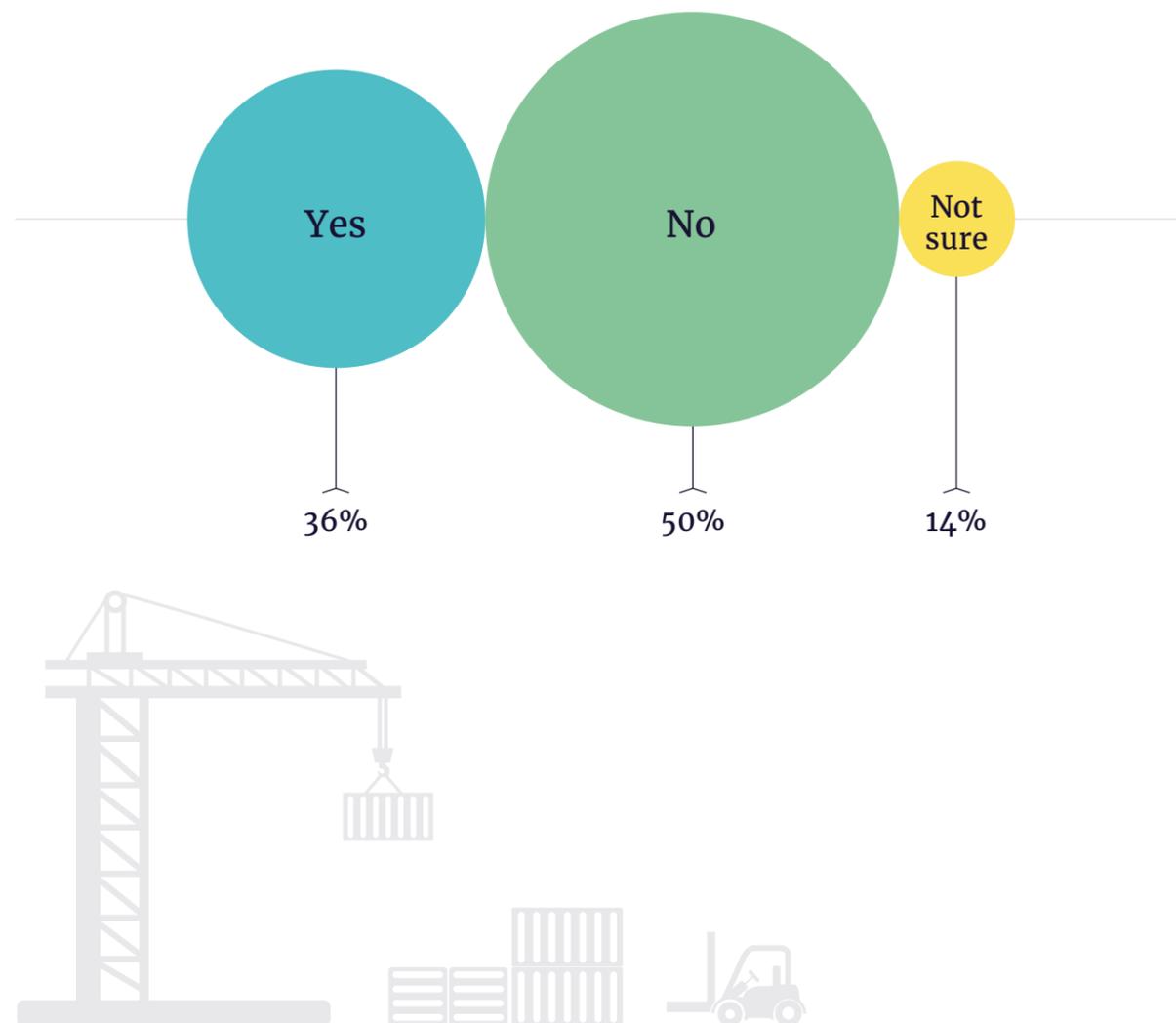
## Awareness



## Low awareness of freeports, particularly amongst young adults

Only 36 per cent of people were aware of freeports, falling to 27 per cent amongst 16-24 year-olds. Awareness was highest in the over-55s, where 45 per cent said they were aware of freeports without looking them up.

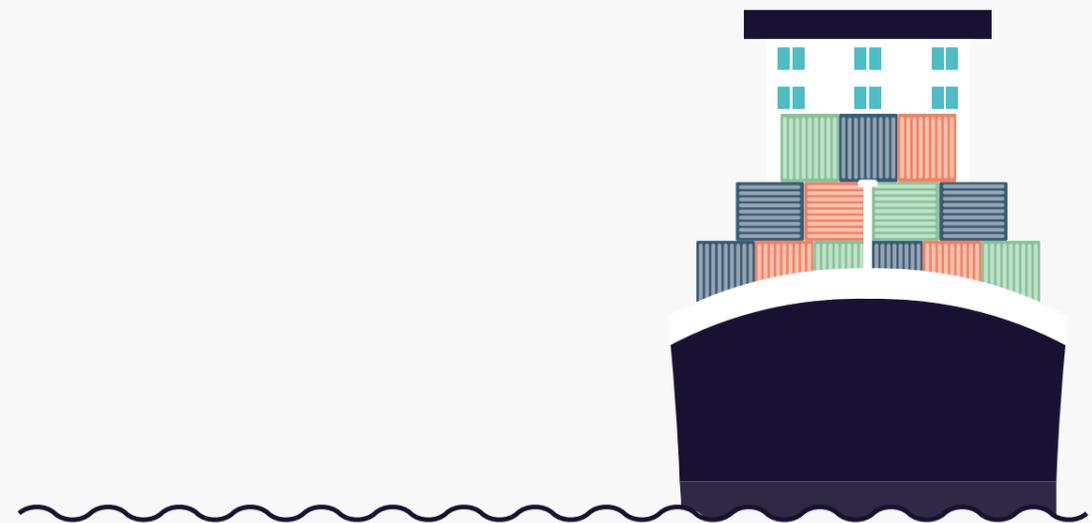
Without looking them up, are you aware of freeports?



“Freeports are special economic zones with different rules to make it easier and cheaper to do business.

They’re well-established internationally, but we’re taking a unique approach.”

Chancellor Rishi Sunak, 3 March 2021



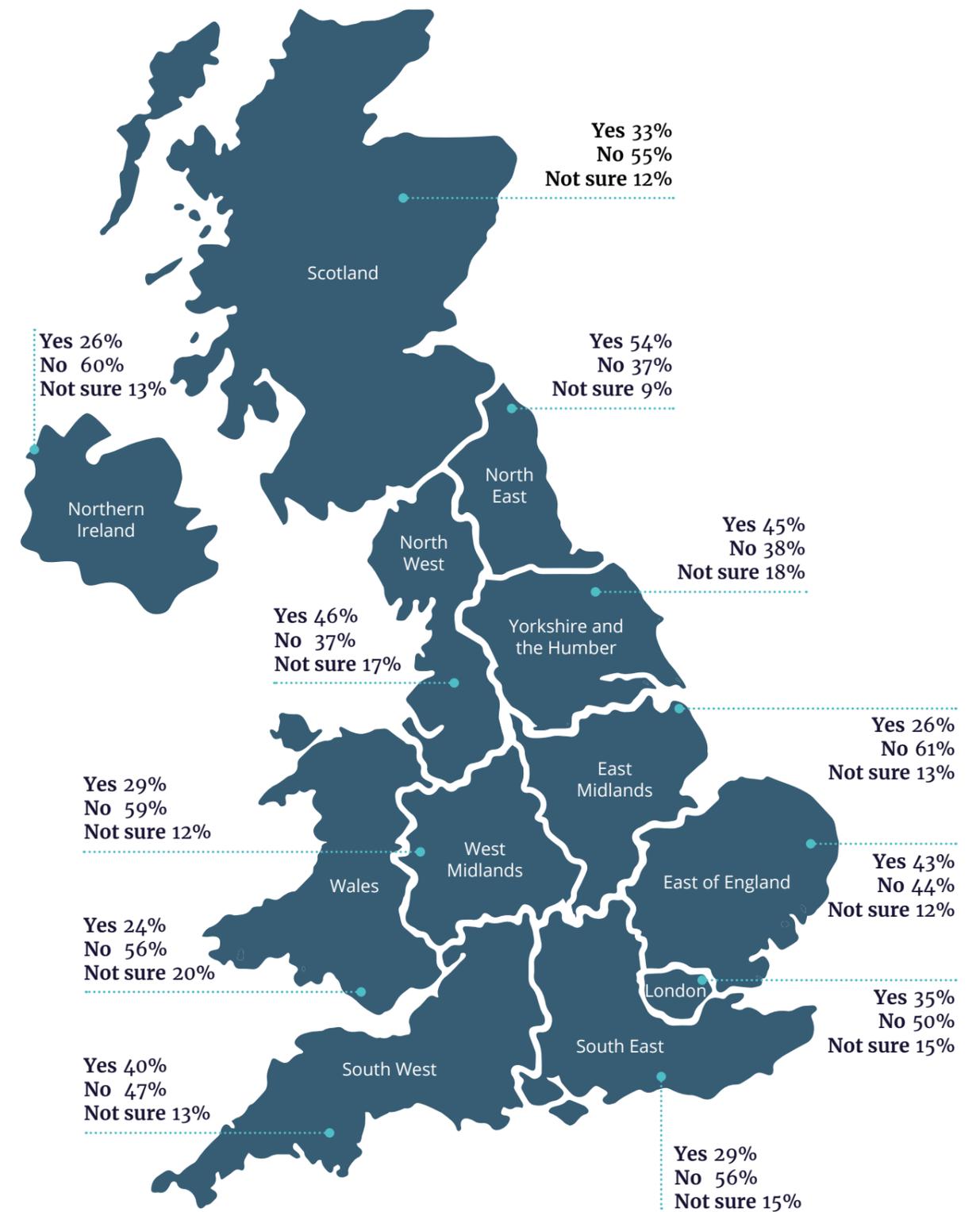
## Awareness does not necessarily translate into understanding

Of those who were aware of freeports, more than half said they understood how they will work 'to some extent' but only 15 per cent felt they completely understood the freeport concept.

The only region where those aware of freeports outnumbered those who said they were unaware was the North East – home to two freeport bids, one of which (Teesside) was successful, with awareness in the north overall higher than in the south of England. Awareness was lowest in Wales, followed by Northern Ireland and the East Midlands, despite the latter bringing forward a successful bid based around its international airport.

Where awareness was highest (including in the North East), the percentage of those aware of freeports who said they completely understood or understood to some extent how they will work was lower. This suggests that while freeports have been well publicised in some regions, this has not necessarily resulted in a clear understanding of the model.

Awareness was lowest in Wales, followed by Northern Ireland and the East Midlands, despite the latter bringing forward a successful bid based around its international airport.



Without looking them up, how well do you understand how freeports work?



■ Completely understand    
 ■ Understand to some extent    
 ■ I am not sure on everything    
 ■ I do not know anything

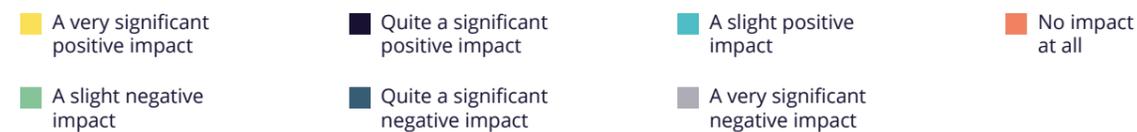
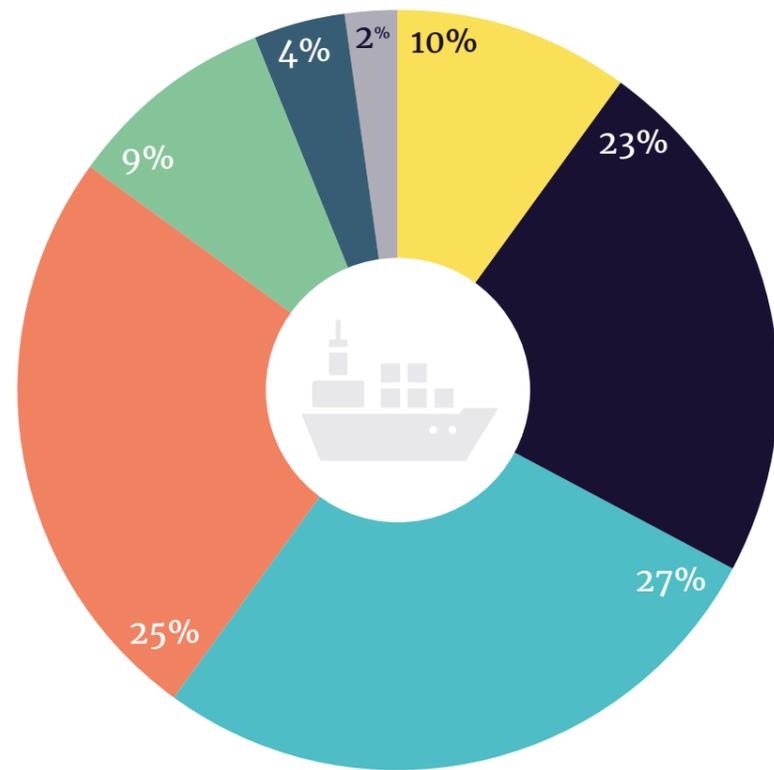
# Attitudes



## A force for good?

More than 60 per cent of people think freeports will have a positive impact on the economy while 15 per cent think that freeports will have a negative impact. Those viewing freeports positively rose to 80 per cent in the North East, where fewer than 4 per cent thought freeports would have a negative impact. Scots were the least positive, with 19 per cent taking a negative view and a further 25 per cent thinking freeports would have no impact at all.

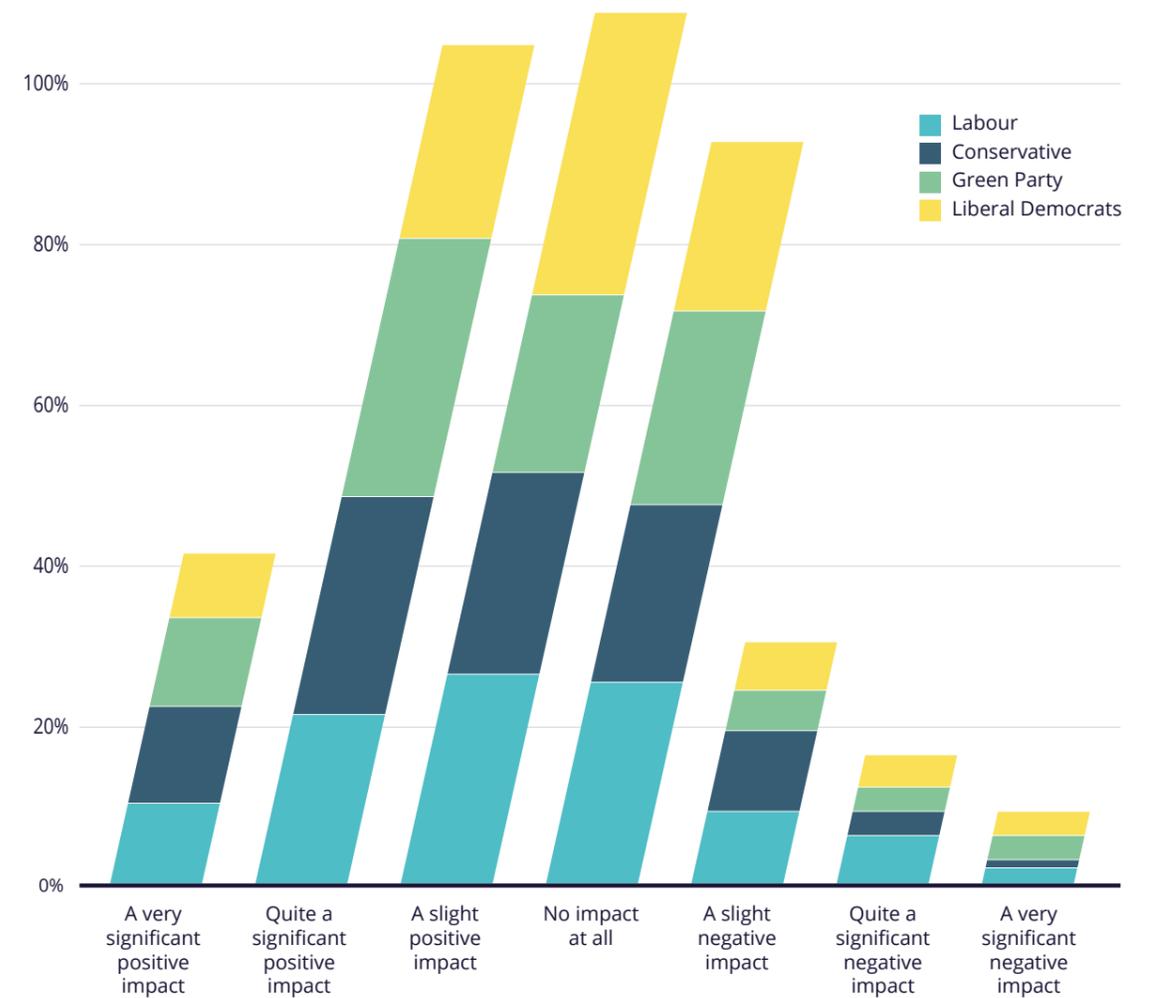
Now you are aware of freeports, to what extent do you think this will have a positive or negative impact on the economy?



## A cross-party cause?

With freeports championed by a Tory Chancellor, differences might have been expected based on political affiliation. While Conservative voters had a slightly more positive outlook and a smaller number of those who viewed freeports negatively than Labour voters overall, the margins were small. Green and Liberal Democrat voters were also largely positive about the potential impact of freeports.

To what extent do you agree or disagree with the following statements?

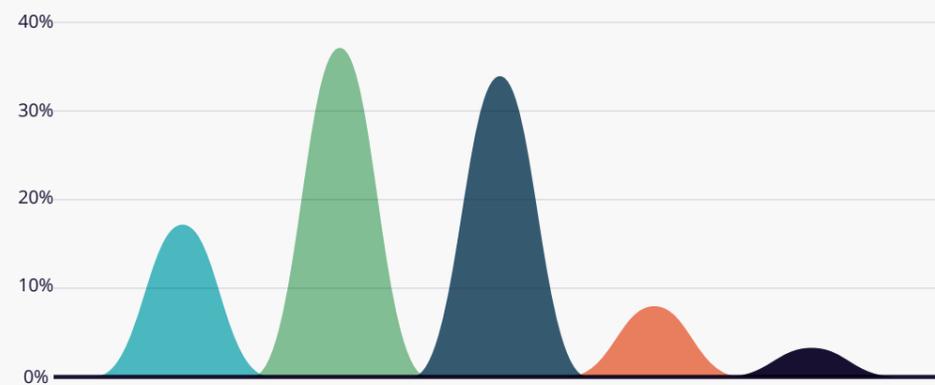


## Statements of intent

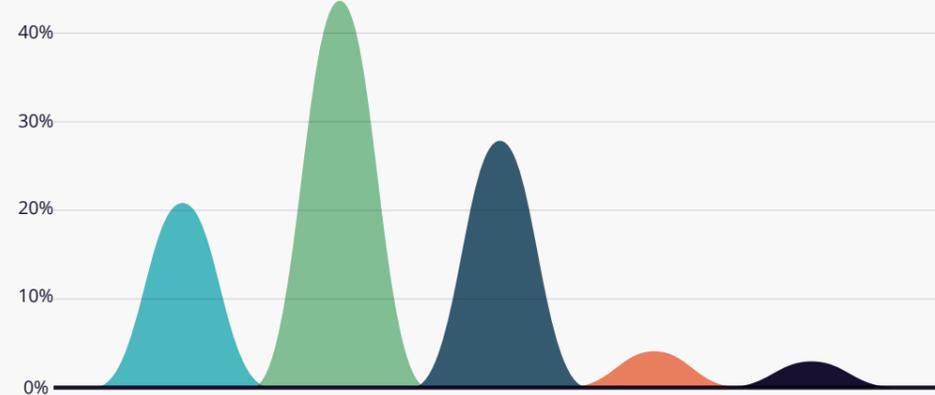
We asked all respondents to what extent they agreed or disagreed with the following statements. The results show the range of expectations the public has for freeports and suggests the sector could do more to highlight its role as a catalyst for innovation and clean growth.

To what extent do you agree or disagree with the following statements?

> Freeports will boost UK exports

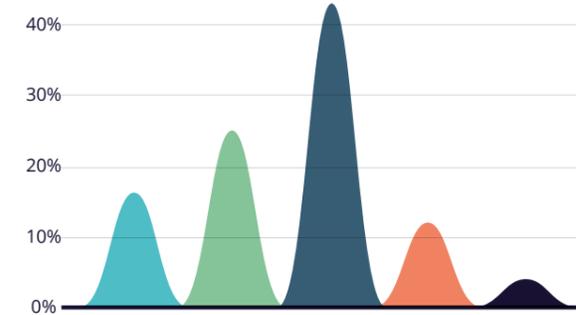


> Freeports will create jobs for local people

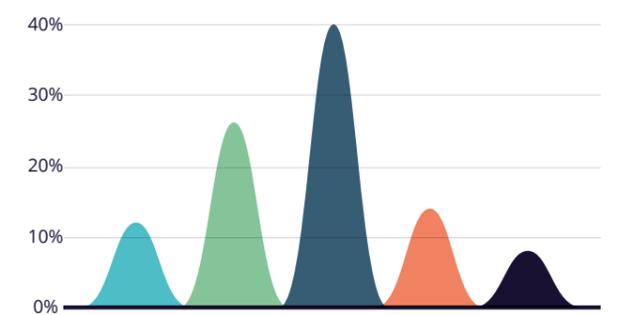


Strongly agree    Somewhat agree    Neither agree or disagree    Somewhat disagree    Strongly disagree

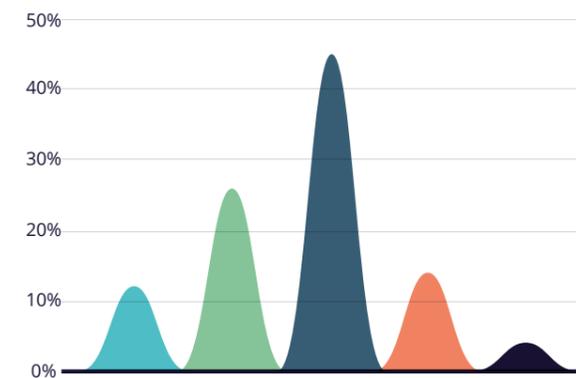
> Freeports will create tax havens for the rich



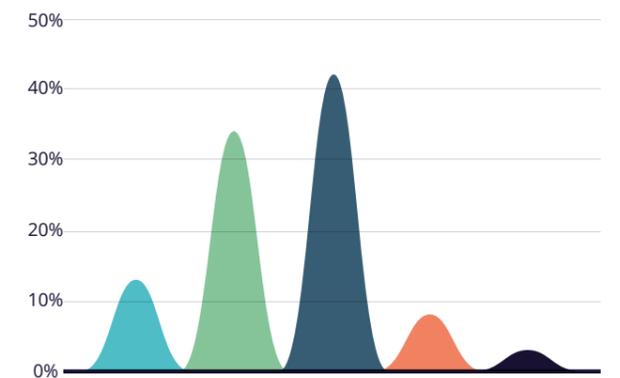
> Freeports will make a positive difference to the region in which I live



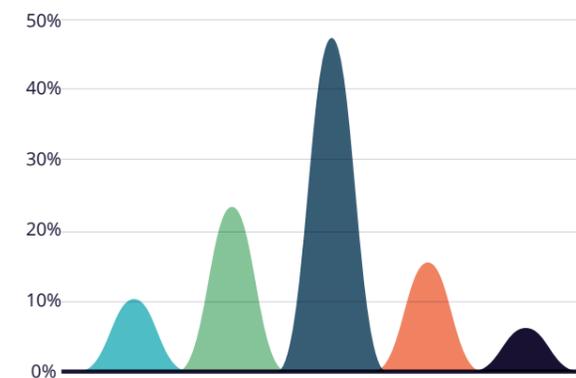
> Freeports will take business from existing UK companies



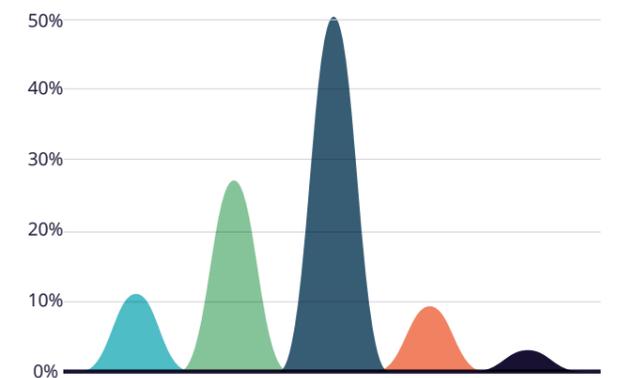
> Freeports will help grow tech businesses and innovation



> Freeports will be places that allow low standards for the environment and jobs



> Freeports will be centres for clean growth

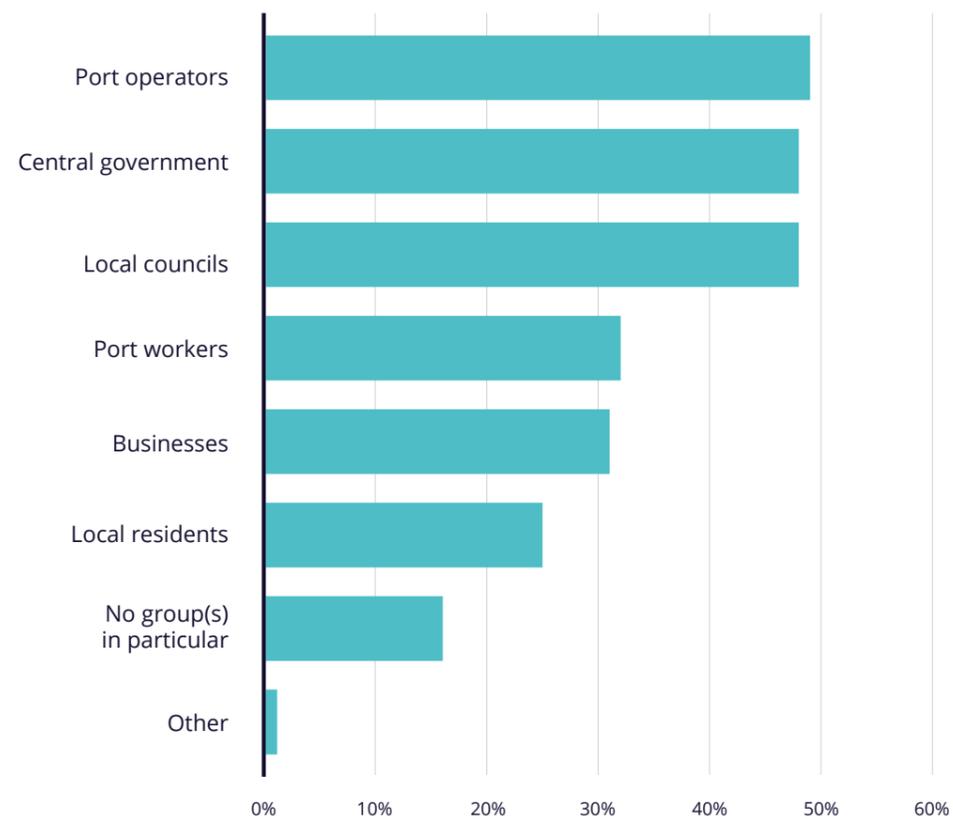


Strongly agree    Somewhat agree    Neither agree or disagree    Somewhat disagree    Strongly disagree

## Stakeholder engagement

Finally, we asked people which groups should have a role to play in governing freeports. The results showed support for a range of stakeholders to be part of freeport governance bodies, including port workers, businesses and local residents.

### What group(s), if any, should have a role to play in governing freeports?



## Recommendations



### Explaining the concept clearly is key to increasing understanding of freeports.

Tax and customs arrangements are technical subjects which can be difficult to communicate to stakeholders and the public. Furthermore, there are already some misconceptions about the potential for abuse and scepticism over who will be the real beneficiaries. Taking a strong lead to articulate a positive vision for freeports will help to fill this gap.



### Highlighting the hidden benefits will help bring freeports to life for more people.

While many understand the potential impact on exports, fewer people associated freeports with innovation and clean growth. Making this link more obvious will further underline the role of ports of all kinds as catalysts for positive change.



### Bringing more stakeholders into the conversation will be welcomed by the public and will help to demonstrate the wider benefits of freeports.

Maintaining stakeholder support will also be important as successful bids move from concept to delivery. While governance bodies should seek representation from a range of stakeholders, they are only one element of an engagement strategy. Ongoing engagement with a wide network of stakeholders will be vital to maximising positive impacts.

## Join the debate and have your say

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