One Wales: Connecting the nation

The Wales Freight Strategy

May 2008
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Freight transport is essential for many aspects of daily life, and it contributes around £2.5 billion a year to the economy of Wales. A first class system of transport is a vital element in securing economic prosperity, but also for ensuring social justice and sustainability. I recognise that freight transport activities can have a profound effect on our environment, communities and even our health. Such activities are also increasingly judged by their climate change impact.

This freight strategy has a close correlation with the Welsh Assembly Government’s overall Transport Strategy - Connecting the Nation. It places a high priority on meeting our “One Wales” objective of transferring freight from road to rail - ensuring that freight transport plays a major role in a sustainable economy. This strategy sets out high level aims and policies for freight transport and identifies a series of steps towards their delivery. It recognises that the freight industry is commercially driven and that this must be taken into account in framing the role of the public sector.

I thank all who have helped develop this blueprint for freight transport, a document that will be of practical guidance in producing a National Transport Plan for Wales and the detailed plans of our Regional Consortia. I am particularly grateful for the work of the Wales Freight Group in driving the strategy forward, an excellent example of how this Government works in partnership with stakeholders to guide our future plans.

The Welsh Assembly Government is pledged to use its growing powers to develop the best solutions to meet our country’s needs. As freight movement is increasingly globalised, I am determined that we in Wales should demonstrate that our own policies are the best possible to help reduce carbon emissions whilst ensuring the competitiveness of our freight and logistics industries. I look forward to continuing to work with all our partners to ensure that our nation’s ambitions to be both successful and sustainable are realised.

Ieuan Wyn Jones
Deputy First Minister
and
Minister for the Economy and Transport
Executive Summary

The Wales Freight Strategy

The Welsh Assembly Government is committed to improving the lives of people in Wales and making our nation a better place in which to live and work. The ambitious and progressive ‘One Wales’ programme is working to achieve a nation with access for all, where travelling between communities in different parts of Wales is both easy and sustainable, and which will support the growth of the economy through transport of both people and goods. A good passenger and freight transport system is central to a vibrant economy and social justice, through equality of access and greater mobility for people and goods. ‘One Wales’ itself reflects this through a number of commitments, including a clear aim to transfer freight from road to rail. Moreover, transport must play its part to safeguard the environment and improve the quality of life for everyone.

‘One Wales: Connecting the nation’ has a key role to play in delivering ‘One Wales’, as the Wales Transport Strategy. Transport is vital for a wide range of economic, social and environmental outcomes; within this, freight transport plays a significant part in shaping our daily lives.

The ‘Wales Freight Strategy’ sets out high-level aims and policies for freight transport, and identifies a series of ‘steps’ towards their delivery. A high priority is placed on freight transport playing its part in ensuring a sustainable environment. Many of the 49 steps set out in the strategy contain elements that are aimed at reducing the overall environmental impact of freight transport, through modal shift or efficiency measures, in particular the contribution of freight transport to greenhouse gas emissions.

Chapter 1
Freight in Wales

• How transport, and freight transport in particular, is an integral part of the Welsh Assembly Government’s strategies as outlined in ‘One Wales’

Chapter 2
Freight in Context

• How the Wales Freight Strategy supports the aims that underpin ‘Connecting the nation’, and the outline of the Wales Freight Strategy itself

Chapter 3
Strategic Issues

• How freight transport contributes to wider social, economic and environmental outcomes

Chapters 4-8
The Freight Transport Modes

• Issues that affect the freight transport industry in Wales, now and into the future
• How the modes can best work together in the most efficient and effective way

Chapter 9
Actions and Partnerships

• The features and limitations of each mode, and making the best use of their strengths
• ‘Steps Towards Delivery’

• Priorities and key actions for delivering the Wales Freight Strategy and its role in the ‘One Wales’ agenda

• The delivery process
• Partnerships and monitoring
Executive Summary

Freight in Wales

Transport is essential for many aspects of daily life. It provides opportunities for people to gain access to jobs, leisure and social activities as well as vital services such as education and health. Crucially for economic prosperity, it connects businesses with customers and suppliers, including the movement of people and goods. Every home, business and other organisation requires freight transport services of one form or another simply to function.

Freight transport is an indispensable element of the economy of Wales, and indeed in the wider trade of goods across the UK, Europe and the rest of the world. In fact, the movement of freight is more fundamental to the way of life that we take for granted than many realise. For instance, all the food that we eat and consumer items that we use are sourced as raw materials, manufactured and/or packaged and taken to retail sites. Freight transport is an integral part of the processes involved. Less obviously perhaps, waste needs to be collected and taken for disposal or recycling, hospitals could not function without reliable supplies of drugs, and schools need stationery. Postal and parcel services are also an important and increasingly valuable form of freight transport.

Freight transport reflects both the overall demand for goods and also, more importantly, the demand for goods to be moved. As such, freight transport makes an important contribution to a vibrant economy. It is estimated that people employed in logistics activities account for up to 7% of employment in Wales (around 61,000 people are employed in logistics companies, with a further 30,000 in logistics roles for other organisations) and there are some 7,400 logistics workplaces in 2,400 logistics companies. Logistics contributes approximately £2.5 billion per annum to the Welsh economy. 1

However, freight transport activities can also have profound effects on our environment, communities, and even our health.

Developing the Wales Freight Strategy

The Welsh Assembly Government has statutory responsibilities for transport and is required to publish a ‘Wales Transport Strategy’ covering the movement of people and freight. Development of the Wales Freight Strategy is also in support of this duty.

A number of areas within the UK (including Scotland and several regions of England) have developed, or are developing, freight strategies in conjunction with the freight transport industry and other stakeholders. Industry bodies such as the Freight Transport Association have been instrumental in these processes along with other stakeholders. Recognising this increasing desire of the freight transport industry to work with its stakeholders, including customers, government at all levels and others, the Welsh Assembly Government has been working in partnership with the Regional Transport Consortia and other stakeholders to develop the Wales Freight Strategy.

In particular, the Welsh Assembly Government convened the Wales Freight Group to provide both a forum for discussion of freight transport issues and to assist in preparing the Wales Freight Strategy.

The Wales Freight Group

The main function of the Wales Freight Group to date has been to feed into production of the Wales Freight Strategy,

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1 Sources: ‘Skills for Logistics’ - UK and Welsh Logistics Sector profiles (2007), LSA Research Report (2005) and direct submission to WFS
and the strategy is the culmination of work carried out by the Welsh Assembly Government and the Wales Freight Group.

As well as officers of the Welsh Assembly Government, the Wales Freight Group comprises providers and users of freight services across all modes of transport (road, rail, ports & shipping, airports and pipeline) and transport planners. It includes key stakeholders such as the Regional Transport Consortia in Wales, Network Rail, Freight Transport Association, Road Haulage Association, Rail Freight Group, port and shipping operators, representatives from Cardiff-Wales airport and Skills for Logistics (the Sector Skills Council for the freight industry). Throughout its development, Group members have provided significant input and oversight to the content of the strategy.

The Wales Freight Group will be a significant element in taking the strategy forward. Membership of the Group will also be expanded to include other interests. In particular, to enhance the ability of the Group to address environmental issues, it is anticipated that the Sustainable Development Commission Wales and Cynnal Cymru (the Sustainable Development Forum for Wales) will be invited to send representatives to participate in the Group.

Consultation

The Wales Freight Strategy consultation document represented a key stage in developing the strategy, in establishing the views of those with an interest in freight transport in Wales. The Wales Freight Group endorsed the consultation document and encouraged the participation of interested stakeholders. Responses were received from a cross-section of people and organisations. The content of responses was broadly positive. The overall message was that the strategy set out in the consultation document covered the issues facing the freight transport industry and other stakeholders in Wales well, and included a substantially appropriate set of ‘steps’ to consider and deal with these. We have published (electronically) a separate report on the consultation process, including details of the responses. Some of the key messages from the consultation which have been incorporated into the Wales Freight Strategy are:

You told us:
You would welcome prioritisation of the steps towards delivery
We identified a series of strategic priorities to focus work toward the long-term outcomes of ‘Connecting the nation’ and support the delivery of ‘One Wales’. These have been used to help prioritise the ‘steps towards delivery’ in the Wales Freight Strategy.

You told us:
Delivering the strategy should give freight transport the enhanced profile it needs and leadership by the Welsh Assembly Government in this is important
As part of the ‘Connecting the nation’, the Wales Freight Strategy has a key role to play in delivering the Welsh Assembly Government’s overall ‘One Wales’ programme. As well as our specific powers related to freight transport, our role in delivering the strategy will be reinforced with active participation in appropriate stakeholder partnerships and through the Wales Freight Group. The Assembly Government is also seeking to review its powers and ability to play a more active role in setting the agenda for ports and rail freight in Wales.
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You told us:
The environmental impact of freight transport should be given more emphasis, especially in considering air freight

The Strategic Environmental Assessment (SEA) has also identified some issues, and some of the ‘steps towards delivery’ have been reviewed and altered accordingly to take account of these.

Public Sector Role in Freight Transport

It is important to take into account the substantially commercial nature of the freight transport industry. In general terms this limits the potential role of the Welsh Assembly Government and its local and regional government partners when compared to other areas of transport policy and practice; especially when comparing with passenger transport. In recognising this, the strategy identifies that the role of the public sector will encompass policies and actions that both seek to influence freight transport decisions and react to the commercially-driven market situation in terms of current practice and anticipated changes.

Transport Policy in Wales

The Transport (Wales) Act 2006 confers a general duty on Welsh Assembly Government to promote and encourage integrated transport in Wales, and requires it to produce a national strategy which considers the passenger and freight transport needs of Wales as a whole – this is manifest in ‘One Wales: Connecting the nation’, the Wales Transport Strategy. The Wales Freight Strategy supports ‘Connecting the nation’, considering freight transport issues in more detail.

Transport Policy and the Environment

Living within environmental limits is not only about tackling the growing problem of climate change. Concerns about impacts from transport and other interventions on environmental resources have lead to increased legislation, policy and guidance requirements designed to protect, conserve and enhance these resources. The Welsh Assembly Government is committed to meeting the relevant legislative, policy and guidance requirements and encourages other transport providers to follow suit.

Strategic Environmental Assessment (SEA)

The Strategic Environmental Assessment Regulations for Wales require an assessment of the likely significant effects on the environment of plans and programmes and their reasonable alternatives. A Strategic Environmental Assessment (SEA) has been undertaken to assess the environmental implications of the Wales Freight Strategy.

Habitats Regulation Assessment (HRA)

The outcome of HRA screening for the ‘Connecting the nation’ was that Appropriate Assessment is not required, as it is a high-level policy document with no implications for specific sites. The Wales Freight Strategy is of a similarly high-level nature, and as such also does not require Appropriate Assessment. The Wales Freight Strategy can only be implemented through other strategies and specific plans and projects and, because of its high level nature, will not constrain or influence those other strategies, plans or projects to an extent capable of increasing their likelihood of adversely affecting any Natura 2000 site.
One Wales: Connecting the nation - The Wales Freight Strategy

Freight in the Wales Transport Strategy

‘Connecting the nation’, the Wales Transport Strategy, is an essential element of the Welsh Assembly Government’s corporate agenda. ‘Connecting the nation’ seeks to provide a stable, long-term framework, and deals with all modes of transport, as well as implications for other policy areas. The strategy specifies the outcomes and strategic priorities that link the Wales Spatial Plan, the Welsh Assembly Government’s wider strategies and development of plans at the local level. Its objectives will be delivered by integrating key proposals with broader national policy areas, as well as through the National Transport Plan and Regional Transport Plans. The Wales Freight Strategy is nested within the ‘Connecting the nation’ and is consistent with it.

Key Aspects of the Wales Freight Strategy

The Wales Freight Strategy is designed to:

- Assist Regional Transport Consortia in the development of Regional Transport Plans;
- Identify and promote factors supporting sustainable distribution systems;
- Support Welsh industry and commerce with a reliable and cost efficient network for raw materials, and manufactured and consumer goods;
- Anticipate and respond to fundamental changes in the supply-chain and markets;
- Identify weaknesses and constraints in the existing freight network which may impact on the Welsh economy; and
- Integrate and maximise use of existing freight infrastructure, using all transport modes to the benefit of the environment and economy.
Some of the main imperatives behind development of the Wales Freight Strategy include:

- New transport powers for the Welsh Assembly Government;
- The need for environmentally less damaging transport;
- A shift in production to the Far East and Eastern Europe bringing new challenges to the economy of Wales/UK and its freight network;
- Fundamental changes in domestic distribution of goods;
- The emergence of new markets and opportunities; and
- Review of Port Policy by DfT.

Timing of the Wales Freight Strategy is thus apposite in relation to challenges, changes and initiatives in the freight industry in Wales and the wider world.

Outline Freight Strategy

The demand and need for freight transport, along with the roles of individual modes and potential interventions, is considered at three levels in the strategy. These levels reflect the substantially commercial decision-making process that leads to freight transport movements taking place. This decision-making ‘hierarchy’ forms a key element of the Wales Freight Strategy.

There is very close synergy between the hierarchy of the Wales Freight Strategy and three of the key guiding principles of ‘Connecting the nation’, the Wales Transport Strategy.

**Principle: “Minimise the demands on the transport system”**

**Spatial Policies** – Firstly, measures try to influence the overall demand for freight transport, through for example spatial planning policies, or working with industry and commerce to reduce empty running and promote local sourcing. This reflects that decisions are made by procurers of goods/services, as well as suppliers, and the various economic and geographic situations will then generate freight movements.

**Principle: More sustainable and healthy forms of travel**

**Mode Switch Policies:** Encourage freight to switch from road to rail and sea

**Principle: Make maximum use of existing infrastructure**

**Making Best Use Policies:** Efficient use of networks by each mode and inter-modal

Hierarchy of Freight Measures

- Encouraging Local Sourcing
- Grant/taxation System
- Promoting Interchanges
- Influencing Distribution Policies
- Information Provision ‘Freight Direct’
- Road Freight
- Rail Freight
- Sea Freight
- Air Freight
- Pipelines
The remainder of the strategy follows freight through the hierarchy, considering first the strategic issues that drive the demand for freight, as well as some key mode choice issues, then moving on to seek to address elements for each of the main freight transport modes.

**Policies and Actions**

In developing the Wales Freight Strategy, a balance has been struck between high-level statements and action plans. The Wales Freight Strategy is part of the process of taking forward the ‘Connecting the nation’, and as such focuses on high-level principles. These are not precisely determined in the strategy itself, but will be developed into specific proposals and action plans by subsequent processes. For example, it is intended that this strategy will suggest ideas for the development of freight-related policies and proposals in Regional Transport Plans, to be prepared by the four Regional Transport Consortia in Wales.

As such, the strategy presents a series of ‘steps towards delivery’ at a number of stages in the document. These are set out to highlight ideas that the strategy is promoting for each of the main freight transport modes, as well as in cross-cutting inter- and multi-modal issues.

**Strategic Issues**

**The Demand for Freight**

Around 100 million tonnes of freight (‘goods lifted’) are transported in Wales per annum, with the amount of freight transport that takes place (‘goods moved’) at around 13 billion tonne kilometres. This represents some 5% of all freight transport in UK. The tonnage of freight lifted has not increased significantly over the last 30 years, though the associated tonne-kilometres have more than doubled.

This is largely accounted for by significant increases in the use of road freight, and in particular in making use of road freight’s inherent flexibility to adapt to changes in business practice and shape the production and distribution process. The role of freight has therefore shifted from being simply the means by which materials are provided to manufacturers and finished goods shipped to end users, to an intrinsic part of the production process. This applies equally to the ‘production process’ that delivers food to supermarket shelves as production of a consumer product. Food distribution, in particular, has manifestly changed with the rise in prominence of supermarket retailers. Road transport thus dominates the movement of freight in UK, accounting for over 64% of goods moved and upwards of 83% of goods lifted. The apparent disparity of these figures is accounted for by the...
average haul length of goods by road being (generally) shorter than other modes, and a tendency for ‘heavier’ goods (such as coal and aggregates) to travel longer distances by water or rail.

**Wales’ Freight Networks**

Transport networks in Wales have been shaped by geography, as well as reflecting the ebb and flow of economic development. The main road and rail routes run close and parallel to the north and south coasts, and inland they generally follow the river valleys. In rural areas of Mid and North Wales, networks are more limited, and roads typically offer the only freight transport option.

Transport networks within Wales must not be considered in isolation, as both the road and rail networks are intrinsically linked to those in England, in border areas in particular. Significant road and rail traffic moves between England and Wales, including movements originating in Wales or England, as well as elsewhere. There are also international road freight movements between Ireland and the UK and the rest of Europe, much of which passes through Wales in transit (most significantly through North Wales to/from Holyhead). The relationship between the networks of England and Wales is thus both a matter of historical development as well as modern day usage, and consideration of rail network improvements in Wales needs to take into account proposals in England.

**The Freight Industry**

There is need to understand the impact of freight traffic on a working and healthy economy. The profile of the freight transport industry is low. For instance, the end customer for any product will seldom know how much of the price they pay for the product is made up of transport considerations, or what modes of freight transport are used. Understanding how the mode of freight transport is chosen is also important. Notwithstanding that in some places there will be restrictions on the availability of alternatives, many freight transport decisions are to simply ‘do what we did last time’.

As many companies have sought to reduce their storage and inventory levels, as well as transport costs, there has been a trend towards an ‘end-to-end’ approach, using logistics companies to manage an inventory from component elements to final delivery. This has led to distribution networks being developed on the basis of an organisation, rather than a commodity. Reliability and robustness throughout the whole supply chain is considered vital, with the principal of goods being delivered ‘just-in-time’ being widespread. Within a distribution network, modal choice becomes a multi-dimensional issue, but the need to consistently supply a number of outlets can mean road haulage, typically seen as the most flexible option, tends to dominate.

**Skills in Freight Transport**

Many freight infrastructure and service operators in Wales have indicated they experience problems recruiting and retaining suitably-skilled workers. Recent research has revealed that a major reason for this is the poor image projected by the industry. To help address these problems, ‘Skills for Logistics’ has been given the remit to represent the skills needs of freight logistics industries and companies involved in the moving, handling or storing of goods – covering freight transport by rail, road, air, sea and inland waterway.

**International Trade**

Creating a more robust and reliable logistics network (both in terms of the physical linkages and information flows required) will help to increase the competitiveness of the Welsh economy. For instance, changes
within the EU mean that existing peripheral nations such as Wales will seek to balance lower labour costs in other nations with efficient freight operations, making an effective and efficient international freight network even more important.

Significantly, changes to supply chain globalisation and a general shift of production to China and elsewhere in the Far East is driving a huge increase in containerisation, and UK traffic is forecast to almost double over the next 25 years or so. The leading global container shipping lines are focusing their future capacity on super post-panamax vessels with nominal capacity of over 13,000 TEU. In addition to the fact that there are very few container ports in the UK, or indeed Northern Europe, which can handle these vessels, the existing pre-eminent distribution model of road hauling containers from the main deep-sea container ports for the UK of Southampton and Felixstowe into the English Midlands, will put great additional pressure on an already congested road network. Rail has limited capacity and capability to absorb the additional volumes, although gauge improvements for high-cube maritime containers would assist.

A relatively unconstrained option is to distribute containers from deep-sea hub ports on smaller feeder vessels to regional ports, using land transport to complete the journey over a shorter distance. This could encourage regional distribution centres near ports, effectively inverting the existing distribution model and replacing long-haul land transport with shipping. Welsh ports generally have good surface connections and possess the capacity to accommodate a substantial increase in coastal traffic.

Corporate Social Responsibility

The concept of corporate social responsibility runs as a thread through this strategy. For the freight transport industry itself, this includes the effects on its own people as well as the wider society and environment, as well as considering procurement decisions made by the users of freight. Increasing emphasis on corporate social responsibility should encourage organisations to question their freight decisions (amongst others) as well as those of suppliers and contractors.

Freight Transport Modes

Each of the freight transport modes has a role to play in the future of freight transport in Wales. The amount to which they will do so will depend on a combination of commercial requirements and local circumstances, as well as features and limitations of each mode. The Wales Freight Strategy seeks to encourage use of the most environmentally friendly modes, particularly from road to rail, as well as integration between modes and links to sea ports, essential to support an increase in short sea shipping.

Road Freight

Around 63 million tonnes of freight were transported by road between places within Wales in 2006, with a further 57 million tonnes moving between Wales and other parts of the UK and some 1.2 million tonnes to/from places outside the UK. Road freight originating in Wales generated over 7 billion tonne kilometres of freight. Other important movements include transit of freight to/from Ireland, though this is a small amount compared to overall figures, with around 2 million tonnes in UK and Irish registered trucks using ferries at the Welsh ports. The amount of road freight (tonnes lifted) to and from Wales has increased over the period 1990-2006, with imports from elsewhere in the UK rising by over 30% though doubling from outside the UK. Similarly, exports to the rest of the UK have risen by 7%, and internationally by 43%. However, the
amount of road freight wholly within Wales has declined by around 9% over the same period.

‘Crude & manufactured minerals and building materials’ is the single largest category of goods recorded, accounting for almost 40% of all goods lifted in Wales. These are indicative of ‘heavier’ commodities that tend to travel shorter distances, and as such this category only accounts for 13% of goods imported into Wales. The largest single category of road-based freight imported into Wales is ‘food, drink and tobacco’, which is most representative of road freight transport that is inherent in supermarket and other retailers’ distribution systems.

There is no formally designated lorry route network within Wales, other than trunk roads and the Trans-European Networks (TEN-T) designated by the EU.

**Rail Freight**

The UK rail freight industry has grown significantly in the 10+ years since privatisation, increasing its market share and largely reversing the long-term decline in demand for rail freight observed over the preceding 40 years or more. Rail freight traffic is forecast to continue to grow, with the biggest increase in the volume of maritime containers, which is predicted to double in a ten year period. The vast majority of rail freight services in Wales run without direct subsidy.

Most rail freight services in Wales run in South Wales, with some in North Wales but limited operations in Mid Wales. The majority of rail freight movements are between places in Wales and England/Scotland. Over 8 million tonnes of freight uses the South Wales main line between Newport and Swansea; less than 1 million tonnes is carried by the North Wales Coast line. The Marches line carries over 2 million tonnes per annum. There are commensurately fewer movements in North Wales, with regular services approximately 10% of the number in South Wales. The main UK rail freight operators, EWS and Freightliner, are active in Wales, and some more limited traffic is carried by other operators. The largest rail freight operator, EWS, runs around 500 services per week in South Wales.

Commodities carried by rail in South Wales include steel, coal, automotive traffic, aggregates, oil and petroleum products, scrap metal and containers. Steel-related rail freight represents around half of all movements. North Wales sees rail transport of aluminium products, steel, nuclear waste, stone and aggregates, coal and timber. Rail freight services are regularly scheduled, but there can be variations in demand; for example, as steel prices globally increase, there can be increased demand for scrap steel.

There are some network constraints, including potential capacity pinch points, on the rail network in Wales.

**Ports and Shipping**

The UK port sector is largely privatised and deregulated and mainly in private ownership, and in Wales private ports predominate, though port and harbour authorities are established by Act of Parliament and have statutory powers and responsibilities. Milford Haven is a notable exception as a Trust port. As well as being nodes for transfer of goods from land to water, ports also support a range of related industries and functions, ranging from full scale manufacturing and processing to storage and consolidation of cargo in transit. In Wales a few large ports are almost single-function ports whilst others cover a wide array of traffic types.
Most international freight arrives or leaves the UK by sea and Wales’ share of UK port traffic was just over 10% at 56.7 million tonnes (in 2006). Although there are 15 commercial ports in Wales, major ports dominate, with three ports (Milford Haven, Port Talbot and Holyhead) carrying over 80% of all Welsh throughput.

Milford Haven is a deepwater harbour dominated by gas, crude oil & oil products, which make up 96% of the traffic at the port. Port Talbot is the other main deepwater facility in Wales, and is focused on dry bulk cargoes. There are other important ports in Wales, notably Swansea, Barry, Cardiff and Newport in South Wales, with Mostyn and Penrhyn in North Wales. Between them, these ports handle liquid fuels and chemicals, dry bulks such as coal, aggregates and fertilisers, timber, steel, other general cargo and containers. The key ferry routes to/from Wales are a series of important links to the Irish Republic, principally the links between Holyhead and Dublin/Dun Laoghaire, and Pembroke Dock/Fishguard and Rosslare.

**Air Freight**

Total UK air freight was some 2.3 million tonnes in 2006. While these figures only represent around 1% of UK exports in terms of tonnage lifted, it is estimated that air freight could account for as much as 25% of exports by value. This traffic overwhelmingly uses airports outside Wales, including goods to/from Wales, with commodities using road to access airports elsewhere in the UK. Direct Welsh air freight is largely confined to Cardiff International, which transported some 2,212 tonnes in 2006.

The most significant air freight flow in Wales relates to the Airbus wing factory at Broughton near Wrexham, making use of aircraft to transport wing parts for Airbus aircraft for further assembly at other facilities in Europe. However, this is a closed operation and Broughton a private airfield. Operations are integrated into the overall production process of Airbus aircraft, using bespoke aircraft specifically designed to carry aircraft parts, particularly bulky sections.

**Pipelines**

The use of pipelines to transport goods around the UK has a long history, and is particularly related to the transport of oil and oil-based products. Pipelines are also an intrinsic part of the networks for water delivery and sewage disposal and treatment, as well as local delivery of gas to households. These elements of pipeline use are not covered by the Wales Freight Strategy.

In the UK as a whole, pipeline traffic has increased by almost 80% in the last 20 years and is around 7% of total goods lifted nationally by all modes. Products transported by pipeline include natural gas, liquid gas, ethylene and oil based commodities including fuels and lubricants.

There are a number of key pipelines across Wales, in addition to local delivery pipes. The most significant lines transport products from Milford Haven, linking into the wider UK network pipeline networks in the Midlands. A recently constructed new line has the potential to supply some 25% of the UK’s gas needs in the future.

**Actions and Partnerships**

**Delivering the Strategy**

The need to work together effectively is a constant theme in the delivery process of the Wales Freight Strategy, and the different stages of delivery will result in the identification of schemes that best meet the outcomes of the strategy and are acceptable to the public. There is also considerable enthusiasm to progress the Wales Freight
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Strategy. Much can be achieved by working together, sharing knowledge and looking for opportunities to add value. We need wider stakeholder and community involvement in the development of more detailed plans and schemes to ensure that proposals are acceptable in the locality they are being implemented, as well as consistent with national and local policy.

The Regional Transport Consortia are tasked with producing Regional Transport Plans (RTPs), which will provide a regional policy framework for transport provision. RTPs will identify proposals aimed at achieving the outcomes of ‘Connecting the nation’, including elements taking forward ‘steps towards delivery’ of the Wales Freight Strategy. The Regional Transport Plans will identify more local issues and problems.

Partnership working is therefore vital if knowledge and capacity are to be used to best effect, and opportunities realised to provide best value in taking the steps towards delivering the Wales Freight Strategy. Members of the Wales Freight Group have key roles to play in taking forward the Wales Freight Strategy.

There is a need for entrepreneurial flair in the freight transport sector, to drive forward the innovative measures and solutions required.

Potential Partners

It is anticipated that the Wales Freight Strategy will be best taken forward through a series of partnerships between the Welsh Assembly Government, the Regional Transport Consortia, freight transport industry, organisations that can address environmental concerns and other organisations and authorities. Freight Quality Partnerships could be part of this process, and developed on an area-by-area or topic basis. These may be too general to deal with some of the more specific and technical ‘steps towards delivery’, and bespoke ‘task and finish’ groups or partnerships could be required.

Priorities

The ‘steps towards delivery’ set out in the strategy have been afforded priorities of ‘Short’, ‘Medium’ and ‘Long’ term. These are broadly defined as:

- **Short term** – commence in the period to 2010, though many will include on-going initiatives that carry on beyond this initial period
- **Medium term** – this brings in the remaining ‘steps towards delivery’ that encompass strategic priorities set out as the first phase of implementing ‘Connecting the nation’
- **Long term** – steps towards delivery that look further into the future

In addition, steps towards delivery that effectively form themes running throughout the life of the strategy and beyond are indicated as on-going.

Monitoring

The aims of the Wales Freight Strategy will be monitored as part of the Wales Transport Monitoring Strategy. This will set out a range of measures and indicators that relate to ‘One Wales’ and the other policies, plans and programmes of the Welsh Assembly Government, in particular the outcomes of ‘Connecting the nation’, and including environmental impact monitoring.
### Summary Steps Towards Delivery

#### Strategic Issues

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<th>Priority</th>
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<td>SI1</td>
<td>On-going</td>
<td>Promote the transport of freight in the most environmentally sustainable manner, in particular encourage to transfer to rail and water where practical</td>
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<td>SI2</td>
<td>On-going</td>
<td>Take an integrated multi-modal approach to regional freight transport planning that achieves a sustainable balance between environmental and economic operational objectives</td>
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<td>SI3</td>
<td>Short</td>
<td>Review the current system of freight grants</td>
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<tr>
<td>SI4</td>
<td>Medium</td>
<td>Review land-use policy to take into account opportunities for promoting and protect environmentally sustainable freight facilities (and feed into the Wales Spatial Plan and LDPs)</td>
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<tr>
<td>SI5</td>
<td>Medium</td>
<td>Develop inter-modal freight interchanges in Wales; road/rail and road/rail/sea</td>
</tr>
<tr>
<td>SI6</td>
<td>Long</td>
<td>Create a balance between freight and passenger on rail to ensure freight is afforded appropriate priority</td>
</tr>
<tr>
<td>SI7</td>
<td>Long</td>
<td>Work with others to develop integrated freight policies for ports and airports</td>
</tr>
<tr>
<td>SI8</td>
<td>Short</td>
<td>Develop a greater understanding of the patterns of movement of goods and role of freight in Wales (including waste transport)</td>
</tr>
<tr>
<td>SI9</td>
<td>Short</td>
<td>Identify suitable data sources to be monitored and collation of statistics</td>
</tr>
<tr>
<td>SI10</td>
<td>Medium</td>
<td>Understand the current and likely future role of distribution centres and freight transport in Wales, including those in England that serve Wales</td>
</tr>
<tr>
<td>SI11</td>
<td>Long</td>
<td>Consider the potential future impacts of charging on the road network</td>
</tr>
<tr>
<td>SI12</td>
<td>Medium</td>
<td>Encourage more sourcing and consumption of locally sourced produce</td>
</tr>
<tr>
<td>SI13</td>
<td>Medium</td>
<td>Develop and promote a ‘Freight Direct’ information service for Wales</td>
</tr>
<tr>
<td>SI14</td>
<td>Short</td>
<td>Encourage appropriate stakeholder partnerships; such as the Wales Freight Group and Freight Quality Partnerships (FQPs) at a variety of different levels</td>
</tr>
<tr>
<td>SI15</td>
<td>On-going</td>
<td>Consider the scale of ideas and solutions; comparatively small-scale rural projects could provide locally very significant benefits in rural areas</td>
</tr>
<tr>
<td>SI16</td>
<td>Short</td>
<td>Implement the Sector Skills Agreement for Skills for Logistics</td>
</tr>
<tr>
<td>SI17</td>
<td>On-going</td>
<td>Consider how freight transport and networks are affecting and will be affected by climate change</td>
</tr>
<tr>
<td>SI18</td>
<td>Long</td>
<td>Consider seeking to expand the Welsh Assembly Government’s powers relating to freight transport</td>
</tr>
</tbody>
</table>
### Road Freight

| Ro1 | Improve the efficiency of road freight transport | Medium |
| Ro2 | Use ITS and telematics to improve efficiency | Medium |
| Ro3 | Reduce the environmental impact of road freight vehicles, in particular the effects of greenhouse gases emissions and pollutants | Long |
| Ro4 | Identify a strategic lorry route network for Wales, and key links across borders | Short |
| Ro5 | Develop localised lorry route maps | Medium |
| Ro6 | Maintain consistent network (particularly in rural areas) | On-going |
| Ro7 | Provide parking for road freight transport (locations, facilities required, pricing) | Long |
| Ro8 | Consider specific parking for drivers’ rest area | Medium |
| Ro9 | Identify pilot freight consolidation centre and understand role of distribution centres in (and serving) Wales | Short |

### Rail Freight

| Ra1 | Work with Network Rail/DfT to ensure that the needs of the freight industry in Wales are taken into account | On-going |
| Ra2 | Increase the carrying capacity of the railway as cost effectively as possible, focusing on the passenger and freight links which make the biggest contribution | Medium |
| Ra3 | Develop the Welsh Assembly Government’s role in rail infrastructure use and development and consider how Network Rail can best respond to the rail freight needs of Wales | On-going |
| Ra4 | Review the way that grants and subsidy schemes are implemented in Wales | Short |
| Ra5 | Identify potential options for rail-road facilities | Short |
| Ra6 | Ensure that land-use policies protect opportunities for promoting rail freight facilities, particularly potential road-rail interchanges | On-going |
| Ra7 | Carry out scenario planning of rail proposals, identifying potential environmental benefits | On-going |
## Ports and Shipping

| PS1 | Promote use of inland waterways and coastal shipping where practicable | On-going |
| PS2 | Promote Welsh ports and shipping overseas and assess the potential through associated international freight market intelligence | On-going |
| PS3 | Promote added-value activities at ports, identifying environmental benefits | On-going |
| PS4 | Identify port locations where new facilities could be developed, including potential multi-modal and port-based inter-modal sites | Short |
| PS5 | Consider port-related rail freight path availability | Short |
| PS6 | Review road routes to ports for freight (signage, limitations and standards) | Medium |
| PS7 | Continue to monitor and support improvements to skills in port and logistics | On-going |
| PS8 | Review the way that grants and subsidy schemes are implemented in Wales | Short |
| PS9 | Work with the DfT to develop an active policy on the future of ports, in order to help ensure that future development takes place in a sustainable way | On-going |
| PS10 | Review the sea freight market for Wales – related to SI8 | Short |

## Air Freight

| Ai1 | Consider air freight in Wales in the context of need and efficiency, in particular overall CO$_2$ emissions and alternatives to air freight | Short |
| Ai2 | Consider airport surface access for air freight, including access to airports outside Wales | Short |
| Ai3 | Review the air freight market for Wales – related to SI8 | Short |
| Ai4 | Consider the potential for multi-modal import/export facilities using air with other modes | Long |

## Pipeline

| Pi1 | Promote the potential role of pipelines among possible users | On-going |
| Pi2 | Support expansion of the pipeline network where appropriate | On-going |