

Teesside Freeport open for business



PUBLISHED NOV 18, 2021
BY [GOV.UK](https://www.gov.uk)

Teesside Freeport will be at the forefront of local low carbon sector creating thousands of jobs in green energy

The freeport has estimated it will create more than 18,000 jobs and provide £3.2 billion boost to local communities

Seven freeports to follow in England including Thames and Humber in due course

Teesside Freeport has begun operations today (19 November 2021) putting the region at the forefront of green energy, manufacturing, and innovation.

It is estimated that the freeport will create more than 18,000 new highly skilled jobs and generate £3.2 billion for the local community over 5 years (1). It will have access to a share of £200 million of government funding to support the region's levelling up ambitions and become the UK's clean energy powerhouse.

Close to the North Sea, Teesside is ideally placed to serve the offshore wind sector and with its excellent transport links it will be a gateway to global markets via air, sea, rail and road.

The freeport has already secured multi-million-pound investment from GE Renewables to build a new offshore wind blade manufacturing plant which they estimate will deliver up to 750 manufacturing jobs and a further 1,500 roles in the supply chain.

These blades will supply the world's biggest offshore wind farm, Dogger Bank, helping to power millions of UK homes, and the government has also committed an additional £20 million to create a new deep-water quay to service the offshore wind industry.

Up to 3 more offshore wind manufacturers could be housed on the site, boosting the UK's offshore and net zero ambitions, and creating thousands of jobs for local people.

The next 2 freeports to become operational will be Thames and Humber. Both have had tax sites designated today and are working at pace to become operational in the near future.

Minister for Levelling Up Neil O'Brien MP said:

I am delighted to see the Teesside Freeport begin operations today, putting the region at the forefront of the UK's drive to net zero and bringing thousands of high-skilled jobs to the area.

Freeports will help to generate prosperity and spread opportunity by driving trade and innovation as we level up in every corner of the United Kingdom.

We're seeing evidence of this in Teesside already with GE Renewable Energy's multimillion pound investment as they bring their new blade manufacturing plant to the site.

Lord Frost, Minister of State at the Cabinet Office, said:

Having left the European Union we now have the freedom to do things differently, including setting up new freeports to turbo-charge our trade with the world's fastest growing markets.

Today's announcement is great news for Teesside and it shows that we are maximising the opportunities of Brexit to create well-paid jobs and drive growth right across the UK.

As well as more freeports, we want to go further and faster to create a competitive, regulatory environment which supports innovation and boosts inward investment.

Tees Valley Mayor Ben Houchen said:

The day has finally come – after years of campaigning and shouting about the transformative potential of a freeport for Teesside, Darlington and Hartlepool, we're at last open for

business.

We're throwing our doors open to the world, showing businesses that we're a truly outward-looking, international region ready to welcome the cutting-edge sectors of the future. We're already reaping the benefits of the Teesside Freeport with the likes of GE who are creating thousands of good-quality well paid jobs for local workers.

As we lead the UK in the cleaner, safer and healthier industries and jobs of tomorrow, the sky's the limit as to what the Teesside Freeport can achieve.

Councillor Shane Moore, the Leader of Hartlepool Borough Council, said:

The sea and our ports have shaped the fortunes of Hartlepool for hundreds of years and it's absolutely fantastic news Teesside Freeport has begun operations today.

I was delighted to play my own part in ensuring the Port of Hartlepool and Able Seaton Port were included in the bid and I believe Freeport status will help harness the power of the Tees Valley's highly skilled workforce, and our established and emerging industrial clusters.

We are continuing to work with other freeports to ensure they reach this important milestone as soon as they are able. Other successful prospective freeports locations include:

East Midlands Airport

Felixstowe & Harwich

Liverpool City Region

Plymouth & South Devon

Solent

(1) Source: information

Freeports are special areas within the UK's borders where different economic regulations apply. Freeports in England are

centred around one or more air, rail, or seaport, but can extend up to 45km beyond the port(s). See more information on Freeports.

Covering 4,500 acres, Teesside estimate that it will create more than 18,000 new jobs.

The freeport will also facilitate a world-class, highly skilled workforce specialising in manufacturing, engineering and offshore industries supported by the new Teesworks Academy.

At Budget, in March 2021, the Chancellor announced 8 successful prospective freeports locations in England, as selected following the fair, open and assessment process outlined in the Bidding Prospectus.

Locations selected to progress to the next stages of designation are: East Midlands Airport, Felixstowe & Harwich (known as Freeport East), Humber, Liverpool City Region, Plymouth & South Devon, Solent, Teesside and Thames.

Subject to business case appraisal, they will be able to access a share of £200 million of seed capital funding.

At Budget, in October 2021, the Chancellor announced that the first tax sites will be in Humber, Tees and Thames. Thames and Humber tax sites go live today (19 November 2021).

Eligible businesses that base themselves in tax sites at these freeports can benefit from several tax incentives including: an enhanced Capital Allowance; a Structures and Buildings Allowance; a Business Rates relief; and a Stamp Duty Land Tax relief.

Teesside have also had a customs site designated today (19 November) which means that businesses that base themselves in the site can benefit from the customs facilitations – including tariff suspension, exemption, and deferral.

The government is working hard to support the other prospective freeports. Subject to agreeing their governance arrangements and successfully completing their business

cases, we expect the next set of freeports to begin operations from 2022.

The UK government remains committed to establishing its Freeport programme in Scotland, Wales and Northern Ireland as soon as possible and are confident our model embraces the highest employment and environmental standards.

Local councils will be able to retain 100% of business rates growth generated by the freeport tax sites for the next 25 years, providing them with financial security to invest in regeneration in their local area.

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Press release distributed by Media Pigeon on behalf of GOV.UK, on Nov 18, 2021. For more information subscribe and follow us.

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