



BRITISH PORTS
ASSOCIATION



Drivers of UK container growth

**Investment, liner restructuring and a
reassessment of carbon-leakage narratives**

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The British Ports Association is the national trade body for UK ports and harbours. Our members handle 86% of the UK's seaborne trade and support other important maritime activity from offshore energy to fishing and marine tourism and leisure.

Executive Summary

Investment and commercial change are driving gains by UK container ports

Investment in new berths, deeper channels and larger cranes has strengthened the competitive position of UK container ports in recent years. At the same time, the world's major container lines have fundamentally reorganised their alliances and European networks. The Spanish EU ETS Observatory presents the increased prominence of UK ports within those networks as evidence that the EU Emissions Trading System is diverting maritime activity away from EU ports but the evidence does not support this.

Much of the infrastructure now supporting growth in UK container throughput was planned or under construction before maritime transport entered the EU ETS. London Gateway began work on its £350 million fourth berth in 2022 and opened in November 2024, increasing the port's capacity by more than a third. Felixstowe completed major channel and berth deepening in 2023 to improve access for the latest generation of ultra-large container vessels.

These investments came on stream as liner networks were being comprehensively redesigned. The Gemini Cooperation, MSC's standalone network and the Premier Alliance all began operating new structures in 2025. Carriers themselves have cited capacity, network simplicity, reliability, deep-water access, transit time and congestion when explaining their port choices.

The Observatory's headline measure also requires care. Its reported "market share" is measured in TEU-miles: vessel capacity multiplied by voyage distance. This measures the position and weight of ports within liner networks, not conventional cargo market share. It is particularly sensitive to changes in first and last-call status and can therefore produce very large movements when the order of European calls changes without an equivalent movement in physical cargo.

Actual traffic tells a less dramatic story. UK container traffic grew strongly in 2025, but most of the national increase was concentrated at the Port of London following the opening of new capacity at London Gateway. At the same time, Rotterdam, Antwerp-Bruges, Hamburg and Le Havre also recorded higher container throughput. UK growth was therefore not accompanied by a corresponding contraction in the principal continental ports.

Vessel calls also do not show a structural withdrawal of deep-sea connectivity from EU ports. UK deep-sea calls increased, but the Observatory itself reports no comparable fall in Northern European EU calls. Rotterdam's weekly deep-sea services and first-call position were broadly unchanged between 2023 and 2025.

EU ETS may affect the economics of some individual rotations at the margin. But the structural explanation for the UK's stronger position lies in long-planned investment, increased capacity, carrier-network restructuring and operational performance. The current UK-EU carbon-pricing difference is itself transitional: the UK ETS Authority has proposed extending the scheme to 50% of emissions from international voyages from 2028, mirroring the present EU approach.

UK connectivity gains should therefore not be characterised as regulatory avoidance or carbon leakage without much stronger evidence that the activity concerned would otherwise have taken place at EU ports.

Carbon Leakage Narratives

The ETS Observatory was created to investigate a pre-existing Spanish concern about ETS-driven traffic loss

Concerns that the EU ETS could affect the competitiveness of European ports have existed since maritime transport entered the scheme in January 2024. Particular attention has been paid to the possibility that carriers could reduce ETS exposure by using neighbouring non-EU ports immediately before or after EU calls.

The UK has increasingly been drawn into this debate. The Spanish EU ETS Observatory reports a substantial increase in the position of UK ports within Northern European long-distance container services and presents this alongside developments in other neighbouring non-EU countries as evidence of a wider competitive effect.

The institutional context is relevant. The Observatory is an initiative of Puertos del Estado, the Spanish state port authority, serving Spanish public administrations. At its launch in June 2025, Puertos del Estado described its purpose as analysing and forecasting potential traffic losses for Spanish ports arising from maritime ETS and supporting the Spanish Government in defending its interests before the European Commission. Its wider remit includes identifying changes in maritime services that may be related to ETS and proposing measures where necessary to protect EU competitiveness and economic security.

The Observatory should therefore be understood as a policy-led monitoring exercise established around an existing concern about European and particularly Spanish port competitiveness. That does not invalidate its data. It does mean that the observed changes and the explanation subsequently placed upon them should be considered separately.

The UK evidence should be tested on its own merits. UK ports have competed intensively for deep-sea services for many years and have invested substantial private capital to increase capacity, deepen access and attract larger vessels. Improved UK connectivity is therefore not an outcome that requires ETS to explain it.

The Observatory's headline TEU-mile measure is not cargo market share

The Observatory identifies a substantial change in the position of UK ports within long-distance Northern European container networks. Its principal measure is "transport work", expressed in TEU-miles: broadly, the nominal carrying capacity of vessels multiplied by voyage distance.

On this measure the UK's share increased sharply after 2023, while the shares attributed to some continental countries fell. Puertos del Estado describes this as a loss of European "market share" in long-distance container connectivity.

TEU-miles are not a measure of the containers handled by a port, the cargo imported or exported through it, vessel utilisation or conventional cargo market share.

The metric is particularly sensitive to port-call sequencing. Consider an Asia–Northern Europe service that calls at both Rotterdam and Felixstowe. If Rotterdam is the first European call, the long intercontinental leg is associated with Rotterdam. Reverse those two calls and the UK’s measured transport work can rise sharply, even if the same vessel continues to call at both ports and the amount of cargo handled at each changes little.

Cape of Good Hope diversions can amplify this effect because they lengthen the intercontinental voyage. They do not inherently favour the UK, but where a UK port simultaneously becomes first or last call, more distance is attached to that call.

The Observatory has therefore documented a substantial change in the weighting and sequencing of deep-sea services. That is commercially relevant, particularly because first-call status can improve transit times and enhance a port’s role within a liner network. But the size of the movement in TEU-miles should not be interpreted as the scale of cargo or economic activity transferred from EU ports to the UK.

What is happening in the container market?

Actual cargo volumes do not show an equivalent transfer from EU ports to the UK

Physical container throughput provides an important test of the scale implied by the Observatory's headline metric. UK container traffic grew strongly in 2025. UK Department for Transport statistics show container tonnage increasing by 10%, or 6.2 million tonnes, and container units by 11%, or around 0.6 million units. Deep-sea traffic grew particularly strongly.

But this was not accompanied by an equivalent contraction at the principal continental gateways. Rotterdam, Antwerp-Bruges, Hamburg and HAROPA/Le Havre all handled more container traffic in 2025 than in 2024. The picture is therefore not one of strong British growth mirrored by a collapse in Northern European container volumes.

This distinction is important. Ports compete for individual services and cargoes, and relative market shares can change even where the market as a whole grows. But the very large redistribution shown in the Observatory's TEU-mile indicator is plainly not mirrored by an equivalent transfer of physical containers from continental quays to British ones.

The cargo evidence therefore supports a narrower interpretation of what has happened: UK ports have strengthened their position and gained traffic, but the scale of the Observatory's connectivity shift substantially exceeds the corresponding change in physical cargo flows.

UK growth was concentrated where long-planned new capacity became available

The geographical pattern of UK growth is itself revealing. Of the 6.2 million tonnes by which UK container traffic increased in 2025, London accounted for 5.4 million tonnes. Of the approximately 0.6 million additional container units handled nationally, London accounted for around 0.5 million. The Department for Transport explicitly links London's increase to additional capacity at London Gateway.

This is not the pattern that would most naturally be expected from a general UK-wide regulatory advantage. The overwhelming majority of national growth occurred in the port area where a major new tranche of container capacity had just become available.

The timing is also important. Work on London Gateway's £350 million fourth berth began in October 2022. DP World said at the time that it would increase capacity by a third and enable the port to accommodate more of the world's largest vessels. The berth entered service in November 2024.

Felixstowe's investment followed a similar long-term logic. Its approach channel was deepened from 14.5 metres to 16 metres and Berths 8 and 9 from 16 metres

to 18 metres in works completed in October 2023. The stated purpose was to improve access for the latest generation of mega-container vessels.

These were long-lead investments designed to improve competitiveness within both the UK and wider European container market. They were not infrastructure projects conceived in response to a regulatory differential created by maritime ETS. Additional UK capacity should therefore be treated as an explanation for stronger UK connectivity, not as evidence that ETS created that connectivity.

EU ports retained deep-sea connectivity as UK calls increased

Vessel calls provide a further check on the suggestion that the UK's stronger position represents a structural withdrawal of services from EU ports.

The Observatory's own analysis records increasing UK deep-sea container calls from late 2023 onwards, but does not show a significant corresponding reduction in calls at Northern European EU ports. UK connectivity increased without an equivalent disappearance of deep-sea services from the continental range.

Rotterdam provides the clearest port-level example. It recorded 46 deep-sea container calls per week in 2023, 45 in 2024 and 47 in 2025. Its number of first European calls was 30 in 2023, 29 in 2024 and 30 in 2025, while last calls increased from nine to eleven. Total container-vessel calls declined modestly, but average call size increased and overall container throughput grew.

Rotterdam	2023	2024	2025
Deep-sea calls per week	46	45	47
First European port of call	30	29	30
Last European port of call	9	10	11
Container vessels	8,811	8,701	8,530
Average call size (TEU)	4,145	4,476	4,675

This does not mean that first- and last-call positions are unimportant. Ports compete hard for precisely those positions because they can affect transit times, cargo attractiveness and the wider commercial role of the gateway.

What the figures do show is that improved UK positioning has not been accompanied by a structural loss of deep-sea connectivity at Rotterdam. The central question is therefore why some services have changed sequence or added UK calls, rather than whether a wholesale migration of liner services from the EU has occurred.

Liner restructuring provides a direct commercial explanation for changing call patterns

The period examined by the Observatory coincides with one of the most important reorganisations of the container shipping market in recent years.

The Gemini Cooperation between Maersk and Hapag-Lloyd began operations in February 2025 with a strategy explicitly based on reducing network complexity, making fewer mainline calls and using a hub-and-spoke structure. As part of its review, Gemini selected London Gateway for its Asia–Europe UK calls.

Maersk’s own explanation is significant. It described London Gateway as the “most optimal” UK port and said the decision was intended to improve reliability, reach and speed while reducing network complexity.

MSC simultaneously replaced the 2M alliance structure with its own standalone East–West network, while the Premier Alliance also commenced operations in 2025. These changes redistributed services, capacity and gateway positions across the European range.

They occurred independently of any need to explain UK growth through carbon pricing. Carriers were reconsidering which ports to call, how often to call them and which should operate as hubs as part of wholesale network redesigns.

Rotterdam itself recognised the importance of these changes. Ahead of the 2025 restructuring it described Gemini’s hub-and-spoke model as a significant change in the way European container services would operate and expected those decisions to affect individual ports differently.

A change in the order of calls during this period therefore cannot simply be treated as evidence of ETS optimisation. The commercial architecture of the market was being redesigned at precisely the same time that additional UK capacity was becoming available.

Congestion and operational conditions also changed port choices

Port-call decisions were also being made against an unusually disrupted operational background. Northern European terminals experienced periods of significant congestion during 2025. Reliability, berth availability and the ability to recover schedules became particularly important as carriers implemented new networks and continued to manage the effects of longer Cape routings.

There is direct evidence that these conditions changed port choices. In May 2025 Maersk removed Rotterdam from its TA5 service because of “current operational constraints in the terminals”. The revised rotation retained Felixstowe alongside Hamburg and Antwerp.

The same evidence also prevents this becoming a simplistic UK-versus-EU argument. Earlier that month Maersk moved the TA5 UK call from London Gateway to Felixstowe because of the operational situation in London.

These examples demonstrate how fluid carrier decisions can be. Calls move in response to congestion, berth availability, terminal performance, draught, transit time and wider network efficiency.

Temporary congestion should not simply be dismissed because it eventually clears. If networks are being redesigned at the same moment as a port is suffering poor reliability, those conditions can affect which terminal is selected. Once schedules,

feeder connections and customer arrangements have adapted to a new rotation, the consequences can outlast the original disruption.

Operational performance is therefore not background noise. It was one of the commercial conditions under which the network decisions identified by the Observatory were actually made.

Timelines show that ETS was not the structural cause of UK gains

Maritime transport entered the EU ETS on 1 January 2024. The scheme therefore introduced an additional cost consideration into carrier decisions. But the chronology does not support treating ETS as the underlying structural explanation for the UK's improved position.

The European Commission's first formal monitoring report examined the first three quarters of 2024. It found no significant increase in containership calls at UK ports before or after EU calls and no overall evidence of changes in port-call order intended to circumvent ETS. It did identify an increase on US–EU routes, where voyages involving an intermediate UK call rose from 30% in 2023 to 34% in 2024, but found no systematic UK-wide pattern. The Commission concluded that the principal changes in routes during the period were most likely associated with the Red Sea crisis.

The larger UK changes occurred later, particularly during 2025. That was the year in which the Gemini Cooperation began operations, MSC introduced its standalone network, the Premier Alliance commenced services, London Gateway's new capacity became available and significant congestion affected parts of the Northern Range.

Where carriers have publicly explained individual decisions, they repeatedly refer to network efficiency, capacity, reliability, congestion and transit time.

The regulatory position is also transitional rather than structural. Domestic maritime emissions entered the UK ETS in July 2026, and the UK ETS Authority has proposed bringing 50% of emissions from international voyages into scope from 2028, aligning the broad coverage with the EU approach.

Deep-water channels, berths and terminal capacity can shape competitiveness for decades. The present difference between UK and EU carbon-pricing coverage is a regulatory condition that UK policy is already moving to narrow. It is therefore difficult to treat long-lived investments planned before maritime ETS as the product of a later and potentially short-lived regulatory asymmetry.

Narratives around carbon leakage to the UK do not isolate ETS from more obvious explanations

The Observatory recognises many of the same developments but gives insufficient weight to them when interpreting the UK case. Its own material acknowledges that the Red Sea crisis and the restructuring of shipping alliances occurred almost simultaneously with the introduction of maritime ETS. It nevertheless presents the

increase in UK connectivity as evidence of an ETS effect and discounts alternative explanations including infrastructure and congestion.

We do not accept that analysis. UK economic growth does not need to rise sharply for a carrier to alter its European call sequence. New UK capacity does not need to have been constructed after January 2024 to influence decisions taken in 2025. Capacity becoming available as carriers redesign their networks is precisely the sort of development that would be expected to affect port selection.

Congestion likewise cannot be excluded because it is temporary when there is direct evidence of carriers removing or moving calls for operational reasons. Cape routing also affects the Observatory's chosen metric. It does not necessarily favour UK ports geographically, but it increases voyage distance. If a British port simultaneously becomes first or last European call, the resulting shift in TEU-miles becomes larger even if the underlying cargo movement changes much less.

The widely reported claim that ETS explains 76% of route changes also requires particular caution. Public reporting does not establish that this is a UK-specific causal estimate, and it should not be presented as such without demonstrating that the relevant model and result apply to the Northern European analysis.

More fundamentally, statistical association cannot substitute for a credible counterfactual. The period under examination contains simultaneous changes in alliances, terminal capacity, vessel deployment, congestion, Red Sea routing and service design.

The Observatory has identified changes consistent with its original policy concern. It has not shown that ETS is a better explanation of the UK evidence than the structural and commercial developments occurring at the same time.

Normal port competition should not be recast as regulatory avoidance

UK and continental container ports do not operate as two coherent national blocs. They compete within an integrated European market in which shipping lines, terminal operators and cargo owners continuously alter services and capacity.

UK ports have spent years trying to become more attractive gateways. Deeper water, larger berths, new cranes, rail connections, terminal productivity and reliability are all intended to win calls and cargo from competing ports.

Increased first-call status is therefore not an unexpected distortion of this investment strategy. It is one of the outcomes that the investment was intended to achieve.

The ownership structure further illustrates the integrated nature of the market. Operators active in major UK ports also hold substantial terminal interests elsewhere in Europe. Individual terminals still compete intensely, but decisions are being made by international businesses managing portfolios and networks across national boundaries.

Where ETS alters the relative cost of two otherwise similar rotations, it may influence an individual decision at the margin. That is different from demonstrating that the scheme created the underlying UK competitive advantage, or that activity subsequently handled in the UK would otherwise have taken place at an EU port.

There is a risk that normal competitive changes are conflated with carbon leakage, leading to measures that protect existing market positions rather than address demonstrated ETS avoidance.

UK gains are principally the product of investment, capacity and commercial decisions

UK ports have become more prominent within a number of Northern European deep-sea container services. The evidence provides clear commercial reasons why.

UK terminals had invested in additional capacity and deeper marine access before maritime ETS came into force. That capacity became available as the major shipping lines comprehensively reorganised their alliances and European service networks. Carriers themselves have cited reliability, capacity, network efficiency, congestion and transit time when explaining port selections and changes in rotations.

Actual cargo and vessel-call data reinforce that explanation. UK container traffic grew, but most of the increase was concentrated where major new capacity became available. Continental container volumes generally increased at the same time. UK deep-sea calls strengthened without a corresponding structural withdrawal of calls from the main EU gateways.

The Observatory's TEU-mile indicator records the changing position of ports within those networks, but magnifies the impact of first- and last-call changes and should not be confused with cargo market share. A large movement in transport work does not demonstrate an equivalent transfer of physical cargo, revenue or economic activity.

EU ETS introduced an additional cost differential and may affect individual routing choices at the margin. Its significance should be kept in proportion. The current UK-EU regulatory difference is transitional and cannot explain long-term investments planned before it existed or the wholesale redesign of liner networks during 2025.

The UK's improved position is therefore better explained by the factors visible in the market itself: investment, new capacity, competition, liner-network restructuring and operational performance.

UK connectivity gains should be recognised as the outcome of that competitive process unless there is compelling evidence that specific activity moved solely or principally because of ETS. The evidence currently available does not establish that case.

Annex: Further reading and supporting evidence

The sources below provide further evidence relevant to the paper’s assessment of UK container-port growth and the potential impact of the EU ETS. They include official EU and UK analysis, port statistics and evidence from carriers explaining actual network and port call decisions.

1. European Commission: first report on implementation of maritime ETS

European Commission, Monitoring of the implementation of Directive 2003/87/EC in relation to maritime transport, COM(2025) 110 final, 18 March 2025

An independent official assessment of the early impact of maritime ETS. The Commission examined traffic patterns, transshipment, neighbouring non-EU port calls, announced routes and port investment during 2024. It found no concrete evidence of a general relocation of container transshipment activity, no significant overall increase in UK calls before or after EU ports, and no general evidence of changes in port-call order attributable to ETS. It concluded that the most important route changes during 2024 appeared primarily associated with disruption in the Red Sea.

2. European Commission DG CLIMA: summary of the implementation findings

European Commission Directorate-General for Climate Action, 19 March 2025

The Commission’s accompanying summary states that the first implementation report found “no significant evidence of evasion or circumvention trends” and no evidence of major market changes directly attributable to maritime ETS. It also notes that forward-looking evidence, including announced routes and planned port investments, showed no discernible general change in market behaviour resulting from the scheme. This provides an important counterpoint to later claims that UK port growth itself constitutes evidence of ETS avoidance.

3. UK ETS Authority: consultation on international maritime emissions

UK ETS Authority, Scope expansion: emissions from international maritime voyages, November 2025

The UK Government’s own consultation provides a more qualified assessment than is sometimes implied in the policy debate. It states that early evidence shows limited evidence of route changes to avoid ETS coverage, while also identifying some evidence of additional UK calls designed to reduce full EU ETS exposure. It is therefore useful both in acknowledging a possible marginal effect and in demonstrating that official UK analysis does not support the proposition that ETS is the principal explanation for broader UK container growth.

4. Department for Transport: UK port freight statistics 2025

DfT, Port Freight Annual Statistics 2025, July 2026

Official UK statistics show container tonnage increasing by 10% in 2025, but also reveal that the increase was highly concentrated. London alone accounted for 5.4 million tonnes of the UK’s 6.2 million tonne increase, with DfT explicitly linking the rise to the additional handling capacity created by London Gateway’s fourth berth. This supports

the conclusion that UK growth was closely associated with new capacity rather than representing a uniform UK-wide regulatory effect.

DfT's international-route analysis also records a 69% increase in London–Netherlands container traffic during 2025, showing that growing UK deep-sea activity continued alongside strong feeder and transshipment links with continental hubs rather than simply replacing them.

5. DP World: London Gateway fourth berth

DP World, announcements of October 2022 and November 2024

DP World began construction of London Gateway's £350 million fourth berth in October 2022, well before maritime transport entered the EU ETS. The project was explicitly intended to increase terminal capacity by around one third and improve the port's ability to handle the world's largest vessels. Its completion in November 2024 provides a clear long-term infrastructure explanation for subsequent traffic and service growth at London Gateway.

6. Port of Felixstowe: channel and berth deepening

Port of Felixstowe / Harwich Haven Authority, October 2023

Felixstowe completed a major privately financed deepening programme before maritime ETS took effect. The approach channel was deepened from 14.5 metres to 16 metres and Berths 8 and 9 from 16 metres to 18 metres, specifically to improve access for the latest generation of ultra-large container vessels. The investment increased flexibility and certainty for deep-draught vessels and provides a direct commercial explanation for Felixstowe's attractiveness as a first European call.

7. Maersk: Gemini selects London Gateway

Maersk, The Network of the Future: UK port of call update, 18 November 2024

Maersk and Hapag-Lloyd selected London Gateway as the UK port for their new Gemini Cooperation after reviewing the ports and terminals within their network. Maersk described London Gateway as the "most optimal" UK port and explicitly linked the decision to reducing network complexity and improving reliability, reach and speed. This is direct carrier evidence that major UK port-selection decisions were being driven by network design and service performance.

8. Maersk: Rotterdam removed from TA5 because of operational constraints

Maersk, TA5 Service Update, 29 May 2025

Maersk announced that Rotterdam would be removed from the TA5 rotation from June 2025 because of operational constraints at the terminals, while Felixstowe, Hamburg and Antwerp remained on the service. This provides a concrete example of a Northern European rotation being altered for an explicitly stated non-ETS reason during the period examined by the Observatory. It demonstrates why congestion and terminal performance cannot be dismissed as incidental factors in network configuration.

9. Port of Rotterdam: container calls and throughput

Port of Rotterdam, Container Facts & Figures and 2025 annual reporting

Rotterdam's own statistics show broadly stable deep-sea connectivity over the period in which UK TEU-mile share increased sharply. The port recorded 45 deep-sea calls per week in 2024 and subsequently remained around that level, while first- and last-call positions were broadly stable. Average call size increased, helping container throughput to remain resilient despite a modest fall in total container-vessel numbers. These figures do not support a simple narrative of deep-sea services being withdrawn from Rotterdam and transferred to the UK.