

The vision for a Forth Green Freeport

June 2022

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An introduction to Green Freeports in Scotland and the policy objectives

Policy Objectives

- Promote regeneration and high-quality job creation – lead policy objective
- Promote decarbonisation and a just transition to a net zero economy
- Establish hubs for global trade and investment
- Foster an innovative environment

Timeline

Prospectus Published

Announcement of winning bids



Scotland's Green Freeport package provides a generous suite of incentives to encourage investment and regeneration

Policy	Offer to Green Freeport sites
Tax incentives at tax sites 	<ul style="list-style-type: none">• 100% non-domestic rate relief for 5 years.• 100% Enhanced Capital Allowances for the first year of qualifying expenditure.• Employers forego NIC contributions on salaries up to £25,000 for new hires in first three years.• 10% rate of structures and buildings allowance p.a. for 10 years on renovation or construction.• Land purchases on tax sites benefit land and building transaction tax (LBTT) relief (to be defined in Scottish Parliament legislation).
Customs freedoms at customs zones 	<ul style="list-style-type: none">• Duty deferral automatically granted within customs zone until goods leave site.• Duty inversion for goods entering customs zone with higher tariff than final product.• Customs duty exemption on imported goods processed in the Freeport and re-exported (subject to Free Trade Agreements).• The import VAT on goods entering the Freeport is suspended.• Authorisation to use simplified import and export procedures.
Investment and spending 	<ul style="list-style-type: none">• £25 million in seed capital to improve land preparation and infrastructure in outer boundary.• Freeport local authorities retain 100% of uplift in non-domestic rates revenues for 25 years. Local authorities can borrow against future business rates revenue to invest upfront in infrastructure and skills programmes.
Innovation and regulation 	<ul style="list-style-type: none">• Regulatory sandboxes that will relax specific regulations, e.g. drone flights, automated vehicles.• A Green Freeport collaboration hub gives a platform to create regional innovation hubs.
Planning support 	<ul style="list-style-type: none">• Local authorities encouraged to adopt simple planning regimes and Masterplan Consent Areas (MCAs) aligned to National Planning Framework 4 ambitions.

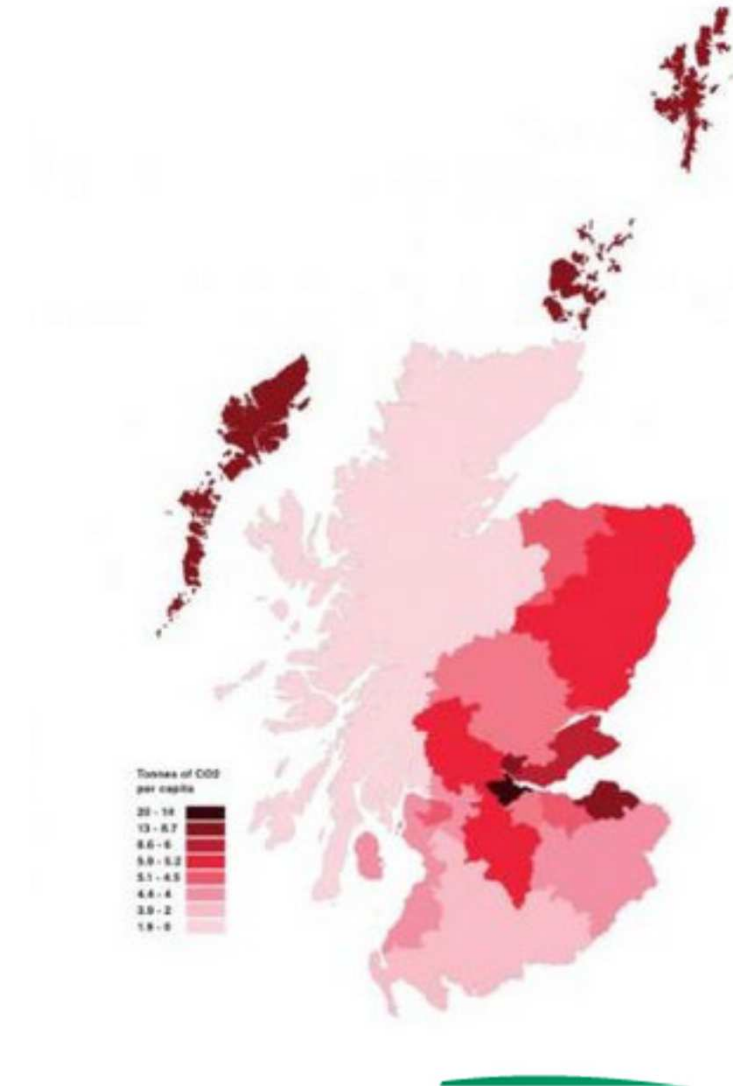
To achieve Scotland's 2045 net zero target, urgent action is needed to decarbonise the Firth of Forth

Companies in Grangemouth alone emit 33% of Scotland's industrial emissions. Across the Outer Boundary, the Firth of Forth accounts for over 40% of Scotland's industrial emissions.

Falkirk Council has the highest emissions per capita of any Scottish local authority, emitting 8% of Scotland's emissions with only 2.9% of the population.

Scotland cannot achieve net zero by 2045 without a credible plan for reducing the emissions intensity of the Firth of Forth.

We believe that the Forth Green Freeport can be the driving force of this plan.



The Forth Green Freeport will create a green growth corridor across Central Scotland and beyond

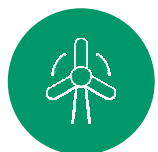
Without an accelerated green pathway for the nation's industrial cluster, skills, people and carbon will drain from the system. Our bid provides underdeveloped land to **sustainably generate green business growth with export potential** through the nation's logistics centre, as Scotland competes with England and northern Europe for international investment.



The Forth Green Freeport will act as a **catalyst for the re-industrialisation of Scotland**, attracting significant investment into key industrial infrastructure for the future economy, and growing an **innovation ecosystem for SMEs** across the Firth of Forth



A successful bid has the ambition to create **high quality, green jobs** in areas of local deprivation across the UK and support skill development for local communities



It will make a major contribution to Scotland's Net Zero carbon emissions target, support innovation in net zero technologies including **offshore wind, hydrogen, and sustainable aviation fuels**, and build Scotland an export base grounded in green growth

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The proposed sites will develop innovative clusters to secure this just transition

Leith: Create the **nation's largest offshore renewable energy hub**. Delivering new manufacturing facilities, port infrastructure upgrades and green incubators to drive SME and start-up business growth.



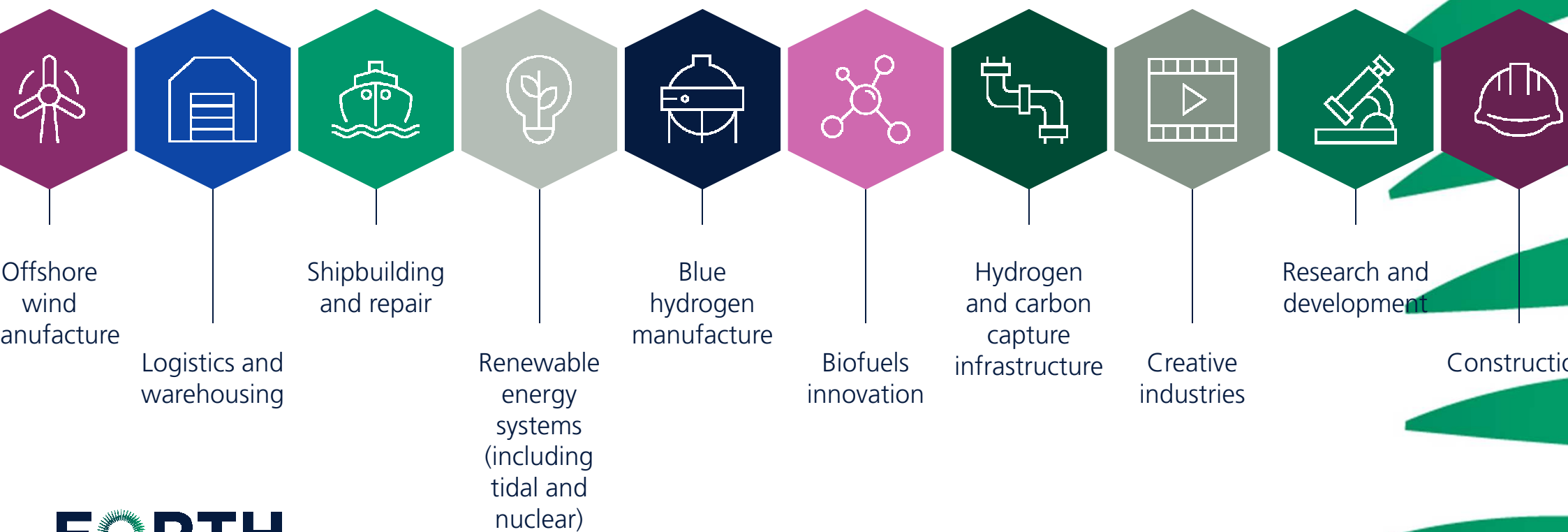
Grangemouth: Build on strengths as **Scotland's largest port** and principal export hub and regenerate the petrochemical cluster for a net zero transition.



Rosyth: Support **innovative manufacturing and shipbuilding**, and strengthen the nation's agribulks hub by expanding and creating new trade routes to continental Europe.



We expect these sites to deliver supply chain opportunities in diverse sectors key to Scotland's future growth



The Forth Green Freeport could be the fulcrum of a renewable energy corridor along the UK's East Coast

-  Potential UK Freeports and Green Freeports
-  Designated England Freeports



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 **Net Zero**
Teesside

ZEROCARBON
HUMBER

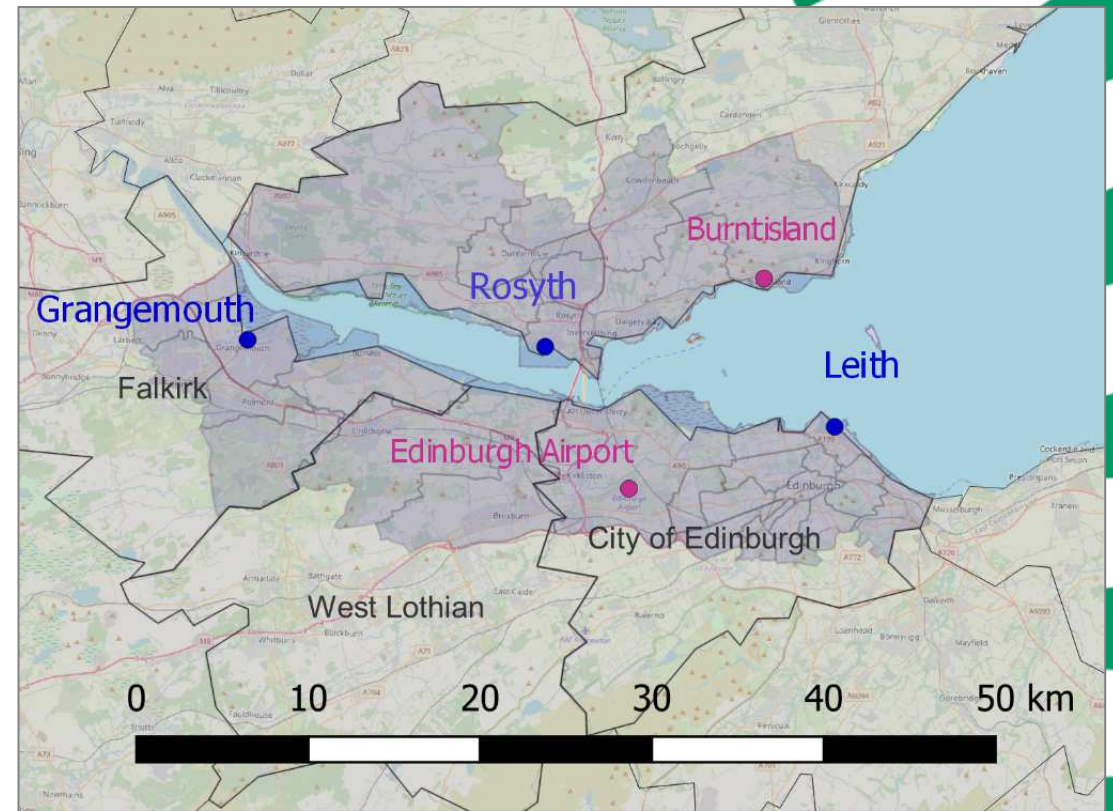
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Our planned tax and customs will deliver the economic benefits of the net zero transition across the region

The proposed tax sites at Grangemouth, Rosyth, and Leith will provide the space for strategic cluster development in key sectors needed for a just transition.

This will be supported by the trade benefits of customs sites at Edinburgh Airport and Burntisland, providing opportunities for inclusive growth to the North and South of the Forth Estuary, as well as East and West across the Central Scotland.

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● Tax site ● Customs site ■ Outer boundary

Our bid draws together a cohesive partnership between public and private sector partners across the Firth of Forth

Core private sector partners



Innovation and skills partners



Public sector partners



Other supportive partners

