

# Why the UK needs more intermodal rail freight



- Help the UK achieve net zero carbon emissions
- Improve air quality and reduce road congestion
- Improve efficiency of freight transport
- Support post-Covid-19 recovery and economic growth

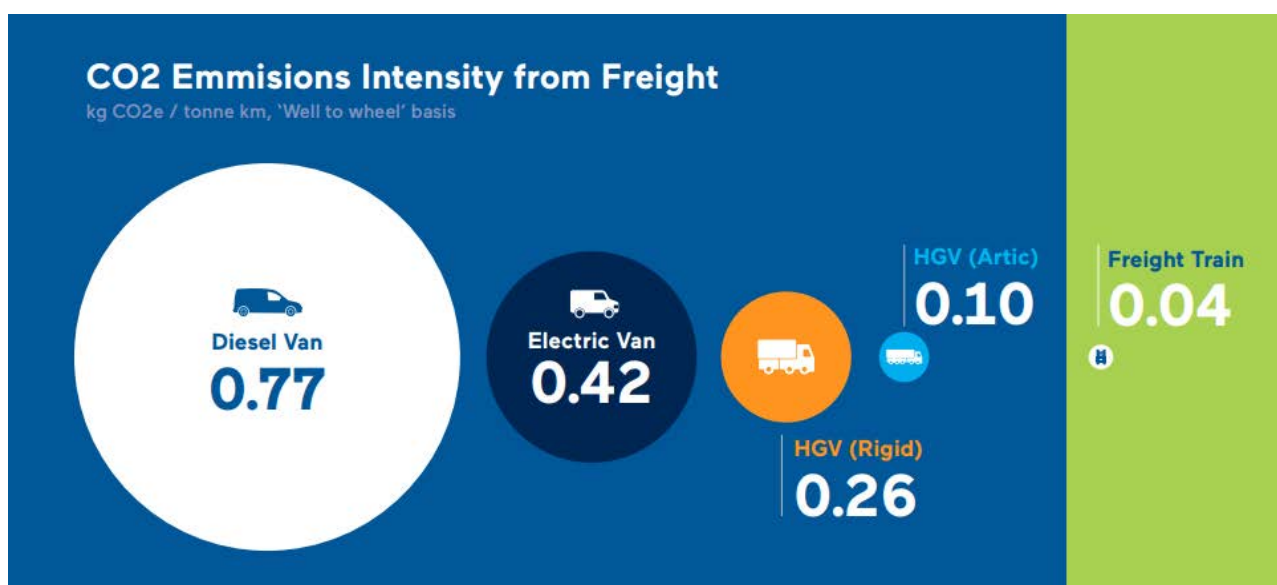
# What is intermodal freight?

Containers are transported by ship, road and/or rail and those that are carried on rail are called 'intermodal rail freight'. Containers carry a great variety of the goods which we use every day – food, clothes, furniture, electronics – as well as components for production lines and many of the UK's main export products.

In the UK, intermodal rail freight has doubled in the last 20 years and now one in four containers transported to/from a port is carried by rail. Domestic volumes have also increased as more companies recognise the benefits of using rail to move freight within Britain.

## The benefits: economic, social, environmental

Intermodal rail freight is fast, efficient, reliable – helping businesses to run with lower inventory and base their operations throughout the UK. It is much more environmentally friendly than road freight. Each train takes 76 HGVs (heavy good vehicles) off the road which equals 1.66 billion fewer HGV kilometres a year, reducing congestion and accidents.



## CASE STUDIES:

DRS and Stobart Rail are working to remove an additional 100,000 containers a year off the roads for Tesco. The first step to achieving this has been the introduction of a fifth daily service from Tesco's Daventry distribution centre – this time to/from Doncaster and Teesport. This train operates with capacity for 40 containers in each direction, removing another 24,960 Tesco containers from the road annually.



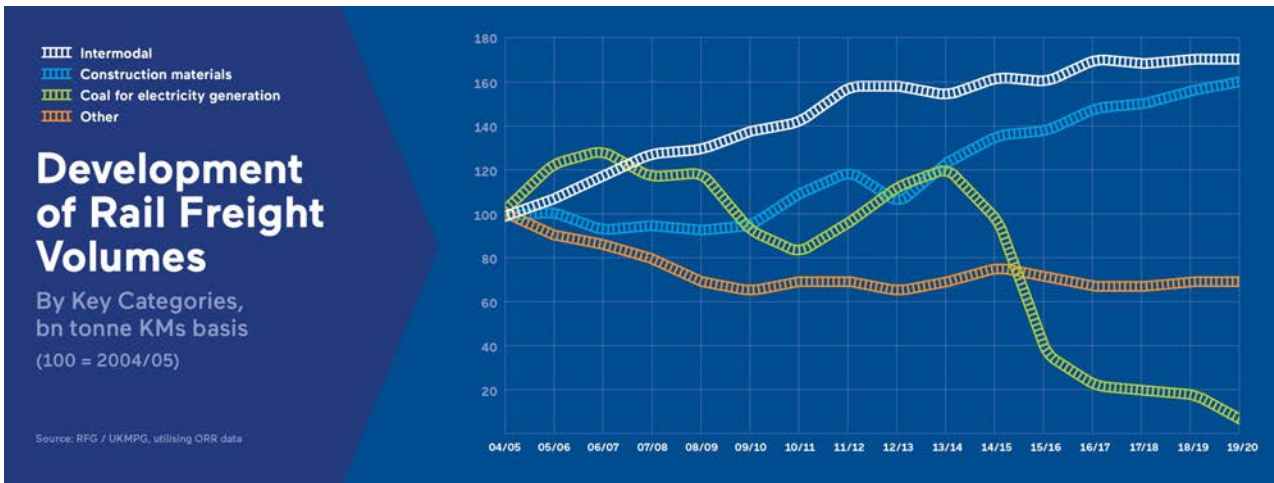
## The UK risks missing out on the potential benefits of intermodal rail freight

Port operators have invested heavily in terminals and other facilities to improve productivity and speed up the delivery of import and export containers to customers.

At the same time, more rail-connected inland terminals and warehouses where the containers are unloaded and emptied have been developed to meet customer demand. Rail freight operating companies have invested in more efficient, cleaner and quieter locomotives and wagons. Working with logistics companies, they are using digitisation and automation to increase load factors and maximise resources.

However, despite an encouraging long-term growth in intermodal volumes, recent years have seen a flattening of the upward trend. **There is real demand from rail freight users to increase their usage. The problem is that the potential of intermodal rail freight is being constrained.**





The potential is clear when we look forward. Expert forecasts, as a ‘base case’ rather than using optimistic assumptions, project that there is sufficient demand to double again the amount of freight moved by rail in the next 15 years. That’s almost an extra 20 million tonnes of freight removed from the UK’s roads annually by 2033/4, equivalent to 450,000 HGV journeys saved with the associated emissions reductions and congestion benefits.



**Unless we take steps now to remove constraints and support growth, there is significant risk of missing major potential to increase the efficiency of rail freight transport and the environmental and societal benefits that brings.**

## CASE STUDIES:

iPort Rail in Doncaster, which opened in 2018, was the UK's first inland port to become operational in the last 10 years. Within 18 months its traffic has grown to five daily services – from Southampton, Teesport and Felixstowe. The terminal took 22,520 long-distance HGV journeys off the road in its first full year.



## Helping intermodal rail freight prosper

**The growth of intermodal rail freight – doubling in the last 20 years – has been driven by significant private investment to enable longer, faster trains, higher loading factors and overall increased efficiency as well as by government investment in the network.**

However, it has plateaued in recent years, as the UK rail network has become more congested. Some routes are close to capacity, restricting the ability to increase services. This will need government support.

## What we need for growth

### 1. **The real benefits of rail freight to be recognised and factored into central/local government policy.**

- Update the planning system to make approvals for inland rail freight terminals easier.
- Local/regional authorities should prioritise distribution facilities with rail links in local plans.

## 2. **The restoration of meaningful financial incentives for modal shift and fair pricing.**

- Reinststate financial incentives at a level that actually shift freight from road to rail/sea.
- Ensure stable and fair track access charges that recognise that competitive environment.

## 3. **Rail capacity (paths) to be provided for freight from key ports and terminals.**

- Increase capacity on the rail network for freight trains through investments in key projects.
- Safeguard strategic capacity for freight growth on the network.

## 4. **Putting rail freight at the heart of any new structure for the railways.**

- Freight services must be planned at a national level in any future structure for the railways.

## 5. **Support for decarbonisation of rail freight, including electrification of key routes.**

- Small infill sections of electrification to allow more use of existing locomotives.
- A rolling programme of electrification of key freight routes.
- Support for decarbonisation of terminals.

### **CASE STUDIES:**

The Port of Felixstowe increased capacity for daily intermodal trains from 33 to 47 in each direction after Network Rail and the port invested £65m to create a passing loop on the branch line to the port. The port also improved rail facilities and can now handle 1.8 million TEU (20 ft equivalent units) by rail annually.





## CASE STUDIES:



PD Ports' two daily services between Teesport and Grangemouth / Mossend in Scotland have removed more than 29,000 HGV moments from the road annually. The development of the Mossend International Railfreight Park by PD Stirling will further stimulate intermodal rail traffic to/from Scotland,

## CASE STUDIES:

ABP opened the Barry Intermodal Terminal in 2012 to offer a unique service for partners Dow Chemicals. The facility has grown to handle over 8000 ISO container units per year, with four trains per week from Tilbury and Southampton. In 2019 this dedicated rail service saved over 1 million HGV miles, removing over 4000 trucks from our busy road network and saving 1,131,280kg of CO2 emissions.



## CASE STUDIES:



Forth Ports has created the country's largest freight-only ferry terminal, Tilbury2, with loading capacity for 775m long trains. The group is matching this investment with a £3m overhaul of the Grangemouth rail terminal, providing a hub-to-hub model for customers working across the food, beverage and perishables sectors.

## About us



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Rail Freight Group (RFG) is the representative body for rail freight in the UK. Its members include rail freight operators, logistics companies, ports, equipment suppliers, property developers and support services, as well as retailers, construction companies and other customers. It works with policy makers and others to improve the environment for rail freight and its aim is to increase the volume of goods moved by rail.



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The UK Major Ports Group is the trade body for the UK's major port operators. It represents nine of the top ten port operators in UK and its members collectively handle 75% of the UK's port volumes through 40 ports. These include the largest ports in England, Scotland and Northern Ireland. UKMPG members together already invest around £500 million per year in the UK's ports and related infrastructure. Its members are ambitious to further increase their use of rail freight, delivering benefits both to customers and the environment.