

# EXPORTING EXCELLENCE



SPOTLIGHT ON  
THE NORTH WEST

JANUARY 2024

**Heathrow**

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# Executive summary

Exporting is vital to the North West economy and its future growth. From pharmaceutical researchers in Liverpool to playground builders in Congleton, the North West exports almost £32.7 billion<sup>1</sup> of goods per year, supporting 630,000 jobs<sup>2</sup>.

The North West has been an exporting powerhouse for generations. Home to Liverpool's iconic docks and the cultural hub of Manchester, the region's maritime trade routes are complemented by its global connectivity via Heathrow. The region's over 11,200 exporters create almost £15 billion of gross value added (GVA) each year, with Heathrow passengers generating more than £200 million of additional trade and investment in the North West<sup>3</sup>.

As the UK's only hub airport, Heathrow is a vital partner to businesses across the North West, helping connect them to 239 destinations in 89 countries and 95% of the global economy within a direct flight from Heathrow. Using Heathrow's global network, UK exports to non-EU nations via the airport were worth over £100 billion in 2023 alone.

This is linked to of Heathrow's hub model, that enables the airport to pool passenger and cargo demand to increase route capacity and optimise opportunities for UK exporters, with 95% of the airport's air cargo travelling in the belly hold of passenger aircraft.

While the UK export market grows and evolves, there is a wealth of untapped potential. In the North West alone, there are an additional 17,000 SMEs which do not currently export but could be exporting goods. Unlocking that capacity would increase the number of exporters in the region by 150%<sup>4</sup>.

Across the UK, that shortfall amounts to £290bn of potential export revenue a year<sup>5</sup>. Unlocking just 10% of this capacity could create 215,000 jobs, with an additional 50,000 jobs in the professional and scientific sectors alone. This will build on the 66,000 jobs that aviation supports in the North West today<sup>6</sup>. Currently, each exporting job in the region generates £52,000 of exports<sup>7</sup>.

To understand how to overcome the challenges businesses are facing – and what is needed to help them to realise their potential – Heathrow visited the Liverpool Chamber of Commerce, as part of its ongoing discussion across the North West, to hear from businesses first-hand. Using the feedback from these discussions, we published our national [Exporting Excellence report](#). The national report recommends actionable solutions which could boost exports, and starts a conversation on how Government, industry, SMEs and Heathrow can work together to boost growth.

This *Spotlight on the North West* focuses on the great work of exporting businesses in the North West and how the exporting potential of the region can be unlocked with the right support.

## NORTH WEST EXPORTER SPOTLIGHT



# Exporting excellence – Heathrow's plan for growth

## Putting sustainability at the heart of trade and export policy

Businesses in the North West are working hard to reduce their carbon footprint. At Heathrow's Exporting Excellence roundtables, the businesses we spoke to explicitly called for Government to support SMEs to export sustainably, whilst minimising extra burdens and costs.

Air cargo can have up to 70% reduction in emissions if sustainable aviation fuel (SAF) is used. SAF is derived from non-fossil carbon resources, such as cooking oil and household waste. Heathrow is encouraging airlines to use SAF through its incentive scheme, which roughly halves the price gap between kerosene and SAF. This helps deliver the airport's sustainability

“Sustainability is a huge thing. A lot of the tenders that we've been applying for kind of used to be a bit of a tick box exercise but that's not the case anymore.”

Roundtable attendee

plan, which aims to cut carbon on the ground at Heathrow by at least 45%, and by 15% in the air by 2030. However, the UK may become reliant on imported SAF unless further efforts are made to unlock private investments in domestic SAF production. In the North West's potential SAF plant could unlock up to £219m of GVA per annum and 1,520 jobs.

“There's actually quite a lot of resources out there. But actually, being able to navigate the system – whether it's skills, access to finance, whatever it is, there's just so much stuff out there, it's very difficult to access.”

Roundtable attendee

The Government has started to introduce policies which drive demand for SAF and address the price gap between SAF and traditional jet fuel. However, these policies will not start to take effect until 2025 at the earliest. There is significant appetite to invest in SAF in the UK, but investors want certainty in the longer-term take up of this technology before pouring in their capital. This can be achieved by introducing a price support mechanism – a solution which would help to cut the price premium and was successfully used to boost solar and wind technologies in the UK. Heathrow believes that this mechanism will reduce costs and the environmental impact of their exports. But it must be delivered urgently to have the impact needed.



## Making the UK the global leader in customs modernisation and digitalisation

Exporting involves extensive paperwork. While exporters are constantly innovating, the exporting process has not kept pace. In 2022, exporters submitted 95.1 million customs declarations potentially spanning up to 12 pages each. If stacked, this pile of paperwork would reach six times higher than a plane's standard cruising altitude. Adopting a digital-first system under the UK's Border Target Operating Model could save businesses £190 million in importing costs alone.

There are clear actions the government can take straightaway. Moving towards a paperless system with a 'once-and-done' data approach will simplify exporting and reduce costs for businesses and their customers. Rolling out the national pilot 'ecosystem of trust' model and using digital means to avoid unnecessary rescanning of previously screened air cargo is crucial for efficient trade. Exempting securely trucked air cargo from current Department for Transport rescreening rules at UK airports would enhance border efficiency. These measures will cut costs and boost the global competitiveness of UK exporters.

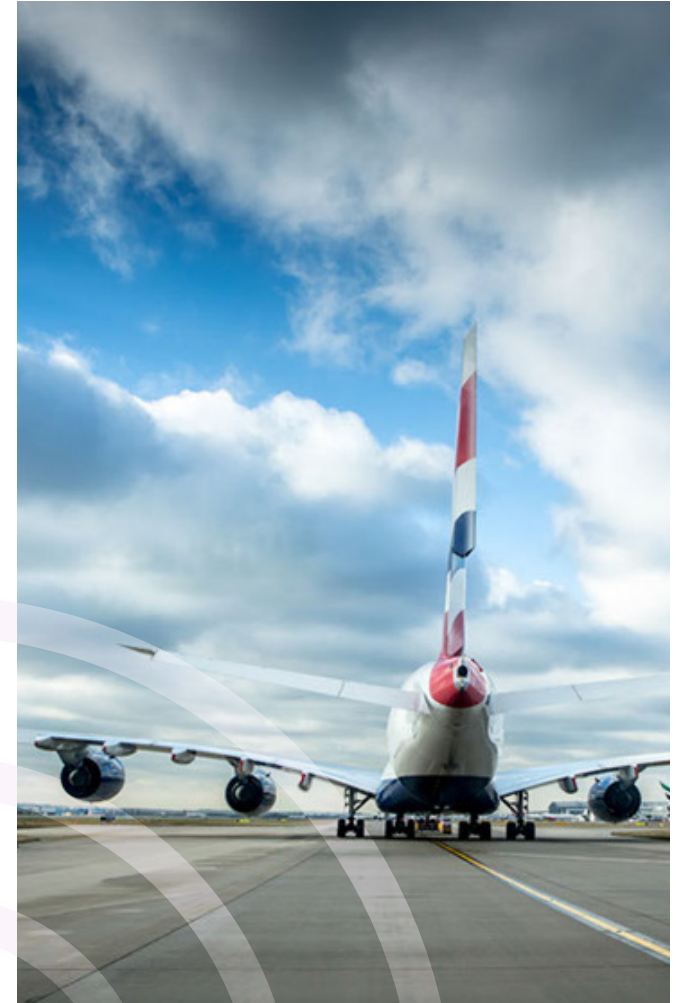
## Getting export skills to take-off

The UK cannot achieve its economic potential if the country does not have the right mix of skills to handle the complexities of compliance and logistics. During its tour of the UK, Heathrow witnessed new initiatives being developed to tackle the export skills shortage, many of them driven by businesses themselves.

But there is a consensus that the country needs to go further and faster. The UK needs a national campaign to highlight the potential a career in exports could offer. A campaign would combine the efforts of industry, Government and business groups to encourage more people to join the sector. Delivering this campaign would involve local chambers of commerce, further education colleges, and government departments all working to create the right UK skills mix. This campaign would secure the future skills pipeline for exporters while creating opportunities for young people in the North West to build aspirational careers in international trade.

“ Customs is a bit of a burden these days, especially for SMEs, because we don't have the number of staff that larger companies have.”

Roundtable attendee



## CASE STUDY

## ATG Airports

Headquartered in Warrington, ATG Airports has become a leading supplier of airfield ground lighting for both the civil and military sectors. Founded in 1993, ATG now employs 56 employees in the North West region and has worked directly with Heathrow for the past 25 years to manage the airport's complex lighting systems.

ATG also benefits from Heathrow's air freight capacity to supply its technology to a global customer base, working with airports from Eastern Europe to Asia. Heathrow's domestic and international connections also allow their engineers to maintain their global installations at short notice, translating connectivity into competitiveness.

“ Our supply chains extend from the Far East to Eastern Europe. We use air freight to deliver our goods and have developed our relationship with Heathrow over a period of 25 years. ”

**Andy Sole,**  
Strategic Development Director,  
ATG Airports, Warrington



## CASE STUDY

## Stratton Tea

Stratton Tea buys, blends and repackages tea for export and domestic trading. Established in 2022, Stratton Tea draws upon a family legacy spanning over 75 years in the tea industry, bringing with them experience of the tea trade in India.

Stratton imports tea for distribution to UK manufacturers and exports blended tea products to wholesalers in Europe, Africa, China and the Middle East. They rely on Heathrow's unparalleled connections to reach global markets, helping them become an international business focused on trading 'bush to cup' responsibly.

“ Access to the global markets is vital for the growth of our business, Heathrow is a vital partner to us, to reach new markets across the world enabling us to share and distribute our tea to new people. ”

**Razi Khan,**  
Director, Stratton Tea, Wirral



## CASE STUDY

## Green Bell Packaging

Green Bell Packaging is a Liverpool-based sustainable packing provider offering plastic-free, environmentally safe, and affordable packaging options to its customers. Green Bell Packaging are passionate about the environment whilst using the latest manufacturing technology to ensure their products are of the highest quality.

It is their mission to produce products that contribute to a global movement of tackling toxic waste, carbon footprint and other pollutants. They rely on Heathrow to enable their services' accessibility across the UK and Europe.

“*Heathrow has been vital for our initial growth, providing access to locations across the UK and Europe. Heathrow continues to be a supportive partner to Green Bell Packaging due to its quick turnaround and direct connectivity.*”

**Vahid,**  
CEO and Founder,  
Green Bell Packaging Ltd, Liverpool



# Conclusion

Implementing these solutions will be crucial to unlocking the full potential of the North West economy and helping the region's 11,200 goods exporters grow and succeed alongside new exporters and their supply chains. This will help boost exports, drive up jobs in the region and accelerate growth across the UK.

## Find out more

If you have any questions or queries on how Heathrow can work with decision-makers and industry to unlock the opportunities of growing exports in the North West, please contact:

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