

## **The Gatwick Freeport bid – FAQ's**

### **Is the main purpose of a Freeport to get tax breaks?**

Government's 3 objectives for Freeports are:

1. Establishing national hubs for global trade and investment
2. Regeneration and levelling up – the lead policy objective
3. Creating hotbeds for innovation

In support of those aims, areas with Freeport status will benefit from tax reliefs to support the regeneration of sites and stimulate economic activity and trade growth within them. Customs incentives will simplify import and export procedures and encourage trade through the port (in our case, Gatwick).

Wider government support to support the Freeport and the businesses operating within it will also be available.

### **How will Freeports help reduce the amount of post-Brexit paperwork?**

Businesses within Freeport custom zones will be able to take advantage of:

- simplified import procedures
- tariff benefits, including duty deferral while the goods remain on site
- duty inversion if the finished goods exiting the Freeport attract a lower tariff than their component parts

Subject to the UK's trade agreements, businesses may also be able to take advantage of customs duty exemption on goods that are imported into a Freeport, processed into finished goods and subsequently re-exported. They will also be able to suspend import VAT on goods entering the Freeport.

### **How would a Freeport at Gatwick and Manor Royal benefit the whole region?**

A vibrant and successful airport is essential for our competitiveness, and will allow us to attract high value businesses from around the UK and overseas. Gatwick is key to attracting investment, driving exports to global markets and nurturing innovation across our different economic sectors. Building upon Manor Royal's clusters in sectors such as aerospace and advanced manufacturing will create opportunities across the regional economy.

Our bid for Freeport status at Gatwick and Manor Royal also asks for the opportunity to work constructively with the Government to scale our core proposal. This could involve increasing our Freeport boundary to include additional, high-potential sites.

**Can goods avoid taxes if transported across the channel, or is this a great idea because airfreighted goods can go straight into Manor Royal?**

Goods can travel between custom zones of separate Freeports around the country without incurring tariffs, so if the port of entry was also designated as a Freeport, yes. The government has designed this model to apply effectively to areas with seaports, airports and rail ports. Gatwick has seen significant, sustained growth in its freight operation in recent years. A Freeport will further boost this capacity.

**What percentage of businesses already on Manor Royal import and export goods and therefore would immediately benefit from any specific tax breaks?**

Businesses within the Gatwick Diamond are 1.5 times more likely to export than the national average. With its high value sectors and internationalised business base, Manor Royal drives a significant proportion of this. £7.5 billion worth of goods were transported between the UK and overseas through Gatwick Airport in 2017.

**How does establishing a Freeport here prevent displacement from the surrounding areas, what's our plan?**

The Indices of Multiple Deprivation rank Crawley as considerably more deprived than the other five local authority areas surrounding Gatwick and Manor Royal – Horsham, Mid Sussex, Mole Valley, Reigate and Banstead, and Tandridge. Take up of all forms of income related support, since the start of the COVID-19 crisis, has been higher in Crawley than in these neighbouring five local authority areas and also the regional and national average, and unemployment is rising.

We anticipate that stimulation of economic activity in Manor Royal would also stimulate activity in the wider sub-region: jobs in Crawley are traditionally accessed by residents across Sussex and Surrey.

**What innovations in what sectors are we targeting?**

There is a strong case for diversification of the labour market away from an over-reliance on the airport, and there are clear sector specialisms on which to build, clustered largely in Manor Royal – aerospace, advanced engineering and manufacturing. The development of the Crawley Innovation Centre and the proposed Institute of Technology in the town will support this activity.