

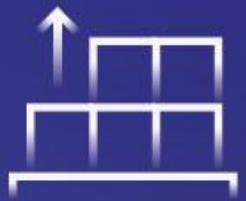


RAIL FREIGHT

Incentivising more freight to move by rail and
accelerate UK's net zero ambitions

October 2025

MSP TRIAL IMPACT – SEPT 2023 TO FEB 2025



29%

OF CONTAINERS MOVED BY RAIL
against 21% pre MSP



103,475

REMOVED TRUCK JOURNEYS
FROM M27, M3, M34



9,024,022

ROAD MILES TRANSFERRED TO RAIL



28,200

TONNES OF CO₂ REMOVED



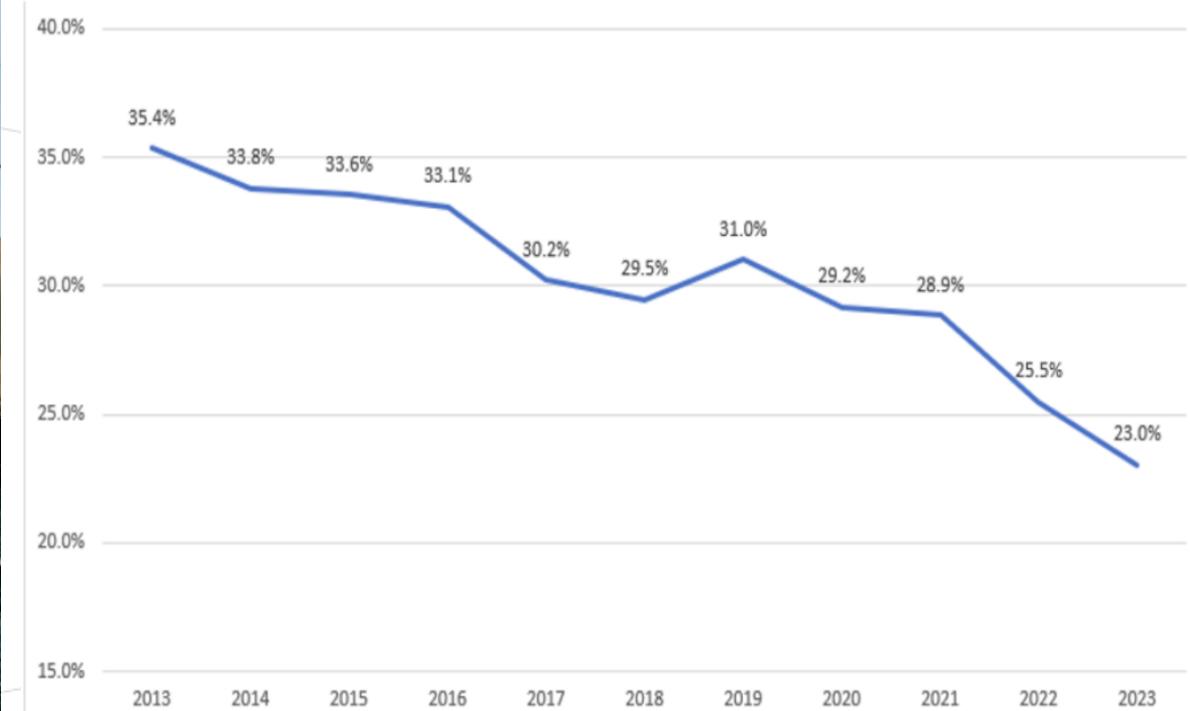
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NEW TRAIN SERVICES

Cardiff, Birmingham,
East Midlands Gateway & Doncaster



RAIL AND ROAD

Rail share of containers at DP World Southampton has been on decline for 10 years



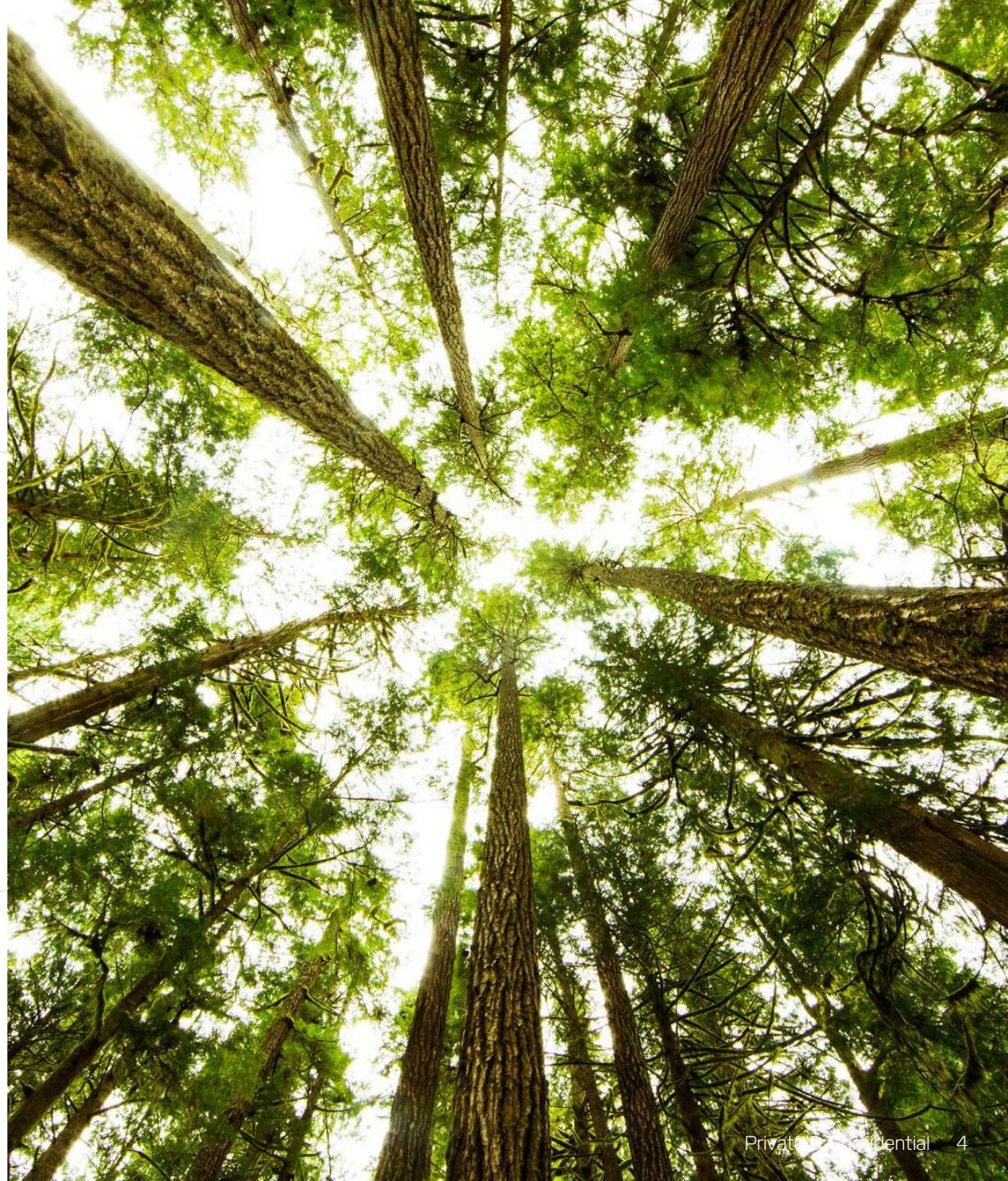
In the first half of 2023, the total share of rail was 21%, since introducing the MSP trial, the total rail share has increased to over 30% on a few occasions but not consistently.

NET ZERO

UK needs to reduce its CO2 emissions
and become Net Zero by 2050

**Rail emissions reduce
on average
by 80%
compared to truck**

80% reduction based on UK Dept. for Business, Energy & Industrial Strategy
Greenhouse Gas Reporting Conversion Factors 2022



FOR EVERY CONTAINER MOVED BY RAIL C250KG OF CO2 IS SAVED

E.G. MAGNA PARK

The estimated CO2 savings:

- Rail from DP World Southampton
- To Birmingham Intermodal Freight Terminal
- Then road to Magna Park

ROAD AND RAIL EMISSIONS COMPARISON (KgCO2e)



This example shows Southampton to Birmingham Intermodal Freight Terminal and delivery to Magna Park

THE NEXT PHASE OF INCENTIVES – Q4-2025

To date, the programme has delivered measurable environmental benefits, **removing over 125,000 truck journeys** and over 10 **million road miles** and reducing CO₂ emissions by more than **30,000 tonnes**. The current rail share stands at 29%, representing a significant increase from the 21% baseline in H1-2023. However, this percentage has not yet consistently exceeded the 30% milestone, which is considered critical for long-term sustainability and justification of continued investment in modal shift initiatives. Ideally, we aim to see rail share reach at least 35% in the near future, and further incentivisation is required to help achieve this goal.

Q4 2025 - Q1 2026 – NEW INCENTIVE FRAMEWORK (1st October 2025 – 31st March 2026)

Effective 1st October 2025, a revised incentive structure will be introduced for a six-month period. This revised model aims to better align operational performance with the programme's sustainability targets, encouraging consistent rail share growth.

- ❖ **Import Clearing Agents Incentive:**
The MSP incentive will be set to £50 per import laden container within the MSP Incentive zone.
- ❖ **Rail Freight Terminal Operators (RFTOs):**
A consideration of £20 per import laden container moved by rail within the MSP Incentive zone will be held on account for RFTOs.
- ❖ **RFTO Performance-Based Disbursement (PBD):**
Between 1st October 2025 and 31st March 2026, the held £20 per container will be paid out to RFTOs in April 2026.
- ❖ The PBD will be paid out to the RFTOs based on their share of railed boxes within the MSP Incentive zone.
- ❖ The RFTOs must pass on the PBD to the Freight Operating Companies (FOCs).
- ❖ The MSP Fee of £10 per import laden container will remain unchanged.

£10 MODAL SHIFT PROGRAMME FEE

CHARGED ON ALL IMPORT LADEN CONTAINERS



CUSTOMER CHOOSES TRANSPORT



Rail + Road within MSP Incentive Zone

< 140 miles from

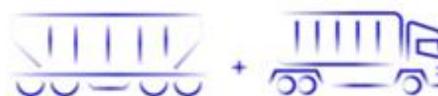


£50*

MSP Incentive applied

£20**

**RFTO Performance-Based
Disbursement**



Rail + Road outside MSP Incentive Zone

> 140 miles from



£10

MSP Fee repaid



Road only

Rail + Road within MSP Incentive Zone	Rail + Road outside MSP Incentive Zone	Road only
< 140 miles from 	> 140 miles from 	

* The MSP Incentive will be £70 per applicable container, for the period between 1st April 2025 to 30th September 2025. The MSP Incentive will be £50 for the period 1st October 2025 to 31st March 2026.

**£20 per applicable container will be paid out to the Rail Freight Terminal Operators in April 2026 for the period 1st October 2025 to 31st March 2026.

THE MSP INCENTIVE ZONE

Intermodal railheads in zone:

Avonmouth;
Birmingham Hams Hall;
Birmingham (BIFT);
Birch Coppice;
Birmingham Landor Street;
East Midlands Gateway;
Bristol;
Cardiff;
Daventry;
Northampton;
DP World London Gateway;
Portbury.



The MSP Incentive Zone is approx. 140 miles from DP World Southampton

THANK YOU

UK Commercial & Supply Chain Team

