

Landmark deal paves way for return of regular cross-Channel rail freight

25.2.2026 - | Her Majesty's Revenue and Customs

Regular rail freight traffic through the Channel Tunnel will help reduce pollution, potholes and congestion while providing new jobs across the UK.

- British businesses set to gain direct rail freight links to Europe thanks to government-backed deal
- supports government's goal to grow rail freight, unlocking around £15 million of private investment
- restarting regular rail freight traffic through Channel Tunnel would reduce pollution, potholes and congestion and deliver new jobs

British businesses could soon gain direct rail freight links to the continent, as a landmark deal paves the way for the return of regular cross-Channel rail freight.

The government-backed deal, announced today (25 February 2026), will see Network Rail and its property development company Platform4 take long-term control over the Barking Eurohub site in east London, currently owned by Legal & General (L&G), with plans for around £15 million of investment to transform it into an international logistics hub.

This investment will help support the return of regular intermodal freight trains, which carry cargo in containers that can be easily transferred across rail, road and sea, through the Channel Tunnel.

This could see British businesses directly import and export goods via rail to France, Germany, Italy and Spain, deepening trade links with Europe and could open the possibility for Scottish whisky, British white goods and consumer goods to be exported on trains to European customers, or London's bustling food markets to get fresh fruit and vegetables direct from growers on the continent.

It would also help to reduce congestion on the roads, leading to less pollution, less traffic and fewer potholes, particularly in the south-east at the Dartford Crossing and M20/M2 corridors. Growing rail freight is a key part of the government's ambitions to reform the rail network. Once Great British Railways is established, it will have a statutory duty to promote rail freight use and the Transport Secretary will set growth targets.

Rail Minister, Lord Hendy, said:

This deal is a huge opportunity to reinvigorate rail freight by paving the way for the return of regular services through the Channel Tunnel.

It will boost British businesses by opening new trade links to Europe by delivering a faster and more sustainable way to transport goods to the continent and back.

This is all part of our plan to use our railways to support economic growth and jobs.

Minister for Industry, Chris McDonald, said:

This significant investment will strengthen UK supply chains and support jobs across the country by deepening trade links with our closest partner and biggest market in the EU.

This project will help deliver more sustainable trade and build more reliable connections for the almost 100,000 UK businesses that export to the EU, while creating new opportunities for others here at home.

Jeremy Westlake, Network Rail's Chief Executive, said:

Freight is fundamental to the future of our railway and this landmark agreement highlights the central role it will play as we transition to Great British Railways.

By securing Barking Eurohub and unlocking more than £15 million of private investment, we're putting in place the infrastructure needed to restore regular cross-Channel intermodal freight services - supporting British businesses and trade, while also helping to protect our environment.

Currently, only a very small proportion of rail freight passes through the Channel Tunnel, and this is limited to bulk, single customer orders. This means most freight between Britain and Europe travels via sea, with goods then moving onwards through Britain via roads.

Not only would Network Rail's plans for Barking Eurohub reinvigorate the rail freight industry, stimulate the economy and deliver jobs, it will also establish a major international logistics hub offering a sustainable alternative to move goods in and out of the UK by shifting freight from trucks to trains.

Michael Barrie, Head of Real Estate (UK and Europe), L&G, said:

Legal & General is pleased to let this strategically important site to Network Rail, helping bring the Barking Eurohub site into full use.

This deal supports vital investment in UK rail infrastructure, unlocking cleaner, faster freight links with Europe and reinforcing the government's wider growth agenda.

Maggie Simpson OBE, Director General of the Rail Freight Group (RFG) said:

Rail freight has a huge role to play in supporting UK trade and the Channel Tunnel is a vital strategic asset that is presently under utilised.

This investment by Network Rail and Platform4 is of huge importance and will help unlock renewed growth in international rail freight between the UK and Europe.

We look forward to seeing new services start operating into the Barking Eurohub as this exciting development takes shape.

Councillor Dominic Twomey, Leader of the London Borough of Barking and Dagenham, said:

This deal between Legal & General and Network Rail is a big vote of confidence in Barking and Dagenham's industrial strength. A revitalised freight and logistics hub at Box Lane will supercharge our local economy, support hundreds of businesses and create new opportunities for growth across the borough as well as London. It builds on the firm foundations of our incredible industrial infrastructure, strengthens our links to international markets and adds the momentum to the wider Thames Freeport.

Rail freight is forecast to grow at least 3% per year until 2033, even as freight train movements have almost halved during the last 20 years. There is huge, untapped potential and we want to be at the heart of that growth.

We welcome investment at this scale and we'll continue working closely with partners to ensure that this development delivers long-term benefits for jobs, local businesses and our residents.

Future growth, it starts here.

The rail freight industry is already growing under the government, with volumes increasing by 5% in 2024 to 2025, compared to the previous year. Plus, in July to September last year, intermodal traffic volumes increased by 4% compared to the same quarter in 2024.

The Barking Eurohub deal comes as the government continues to deliver on its plans to expand our international rail passenger connections with Europe, including signing landmark agreements with Germany and Switzerland and working with industry to pave the way for new competitors such as Virgin to launch services in the coming years.

<https://www.gov.uk/government/news/landmark-deal-paves-way-for-return-of-regular-cross-channel-rail-freight>