



## Port of Milford Haven

### Economy, Trade and Rural Affairs Committee consultation: Response from the Port of Milford Haven

We welcome this early opportunity to engage with the Economy, Trade and Rural Affairs Committee and respond to this consultation.

In the first 60 years of its existence, the Trust Port of Milford Haven with its unique deep waterway, has successfully handled the emergence of two national energy revolutions and has been a major driver of economic activity.

Today, the Port is a core component of the UK's energy network supplying a fifth of the UK's energy needs and supporting around 5,000 jobs in the maritime, renewables and engineering sectors, as well as many more in the supply chain. Now well into its seventh decade, this 'energy capital' is gearing up for a third revolution – low carbon energy – through a dedicated clean energy cluster.

Ports are no longer simply industrialised zones as evidenced by the Port's investment in Milford Waterfront and the growing opportunity in this sector. Milford Waterfront has become a vibrant hospitality and tourism destination offering 300 marina berths, a new 100 bedroom hotel (Ty Hotel by The Celtic Collection Group) opening in April 2022 and a number of high quality restaurants, bars and retail outlets.

Over the coming quarter of a century, our vision for the Milford Haven Waterway is that:

- it will play a vital national role in driving new green energy through growth in hydrogen, floating offshore wind (FLOW) and marine energy generation whilst supporting national energy resilience through existing energy vectors, and
- it will develop further as a hospitality and tourist destination.

Our vision offers significant regeneration benefits levelling up this coastal region through the creation of fresh high-quality employment and careers for future generations.

The successful delivery of this vision will be just as important for the country, particularly for UK energy security as coal and other fossil fuels are phased out, as it will be for Pembrokeshire, an area with an aging population, an over reliance on a limited number of sectors to generate jobs and the highest levels of child poverty in Wales.

- We note the UK Government target of a reduction in greenhouse gas emissions by 78% by 2035 compared to 1990 levels, alongside an aim of delivering 5GW of low carbon hydrogen production capacity by 2030 for use across the economy.
- We also note in March 2021, the Welsh Government approved a Net Zero target for 2050 which is a step up on previous targets. Wales has interim targets for 2030 (a 63% reduction v 1990) and 2040 (89% reduction v 1990). The targets and carbon budgets form Wales' statutory framework and they include Wales' share of emissions from international aviation and shipping.

#### **What do you think the Committee's strategic priorities should be over the next six months?**

Given the significant negative impacts of Brexit rule changes on trade, but opportunities and materiality of Welsh ports to the Welsh economy, it is essential that a clear economic strategy is



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developed for ports in Wales. A decision also needs to be made on freeports in Wales. A strategic priority must be for Pembrokeshire and Wales to **benefit from the Haven's energy cluster and port infrastructure**.

The Milford Haven Waterway, with its unique deep-water channel, is at the heart of one of the largest industrial clusters in Wales, where major added value takes place across the oil and gas, marine engineering and fishing sectors, and equipment, skills and people are utilised collectively.

**Floating Offshore Wind off the Celtic Sea and Hydrogen.** Green energy generation is a massive opportunity for the Welsh economy and Net Zero ambitions. We must prioritise the development of infrastructure and supply chain collaborations now, otherwise growth and prosperity opportunity will be lost to other regions of the UK and abroad.

The change in **Brexit rules** has resulted in a significant reduction in trade through Wales and specifically here at the Port of Milford Haven. Compared to the first 6 months of 2019, we have seen a reduction of circa 30% of trade which is having a significant negative impact on the local community. It is vital that priority is given to **facilitating a trading environment** which promotes trade and not deters it. If we do not resolve the Brexit rules for trade there is a clear risk to the Pembrokeshire and Welsh economy.

### **What do you think the Committee's longer-term objectives and priorities should be for the term of the sixth Senedd?**

Once a clear economic strategy is developed for ports in Wales the **priority must be action and delivery**. There is no doubt that other regions across the UK are accelerating investment, innovation and net zero demonstrators and Wales must not be left behind. It is important that the Senedd engages with the UK decision making groups, explores funding opportunities and takes advantage of the UK Green Growth and leveling up agenda.

Whether it is utilising freeports or other economic policy tools - through a blend of fiscal and planning easements - to make it easier to invest, operate and employ, **what is important is a clear strategy and action plan for the ports in Wales** that generates just and inclusive business growth. Ports play a vital role in local communities and can provide huge catalytic opportunities for regions to recover and grow.

We must develop a collaborative and joined up approach to maximise the opportunities provided by the different ports across Wales. **This has to be linked to a clear Net Zero delivery plan** which must identify and delivery the infrastructure and collaborations for each of the Welsh ports.

Early indications are that opportunities exist to grow economic benefit from **Hospitality and Tourism** here in Pembrokeshire and Wales. As we learn to live with Covid, a joined-up Hospitality and Tourism programme with additional investment support is required if we want to capture post-pandemic benefits for the Pembrokeshire region and Wales.

**We would welcome future opportunities to engage with the Committee and look forward to working with you in the future.**