

Cynulliad Cenedlaethol Cymru	National Assembly for Wales
Y Pwyllgor Menter a Busnes	Enterprise and Business Committee
Ymchwiliad i Botensial yr Economi Forol yng Nghymru	Inquiry into the Potential of the Maritime Economy in Wales
PME 12	PME 12
Dinas a Sir Abertawe	City and County of Swansea

Consultation questions

Role of Government

Question 1 - Do you think the Welsh Government is taking a strategic approach to developing the potential of the maritime economy?

We support the Welsh Government's commitment to developing an integrated ecosystem-based approach to policy-making for the Welsh coastline and seas. The scale of this integration, in encompassing marine management, fisheries, marine energy, tourism, transport, social inclusion and more, is particularly ambitious and welcome.

With the specific emphasis on developing the maritime economy, the approach should focus on generating longevity, scale and productivity within the sector, with objectives for sustaining maritime assets and achieving capacity in enterprise, human capital/skills, innovation, investment and competitiveness, and with outcomes measured in terms of GVA, maritime business and supply chain activity, and jobs/salaries.

Are there any examples of best practice in this area?

The opportunity to establish Fisheries Local Action Groups (FLAG) has been a particular success in Swansea Bay. This has enabled good working relationships between partners to develop from different aspects of the maritime economy, including the fishing industry, tourism, leisure, and to some extent links to potential energy generation (Tidal Lagoon). The FLAG provides a forum for problem solving and funding support for small scale initiatives to unblock strategic issues. A port improvement project via the Swansea Bay FLAG is unlocking the potential of the local fishing industry, creating a new local supply chain enabling local catch to be sold locally. It also adds to regeneration potential of the area by cleaning up the berthing area of the fishermen in Swansea marina, improving the environment for the public, and creating a working visitor attraction in its own right. The FLAG is an excellent example of a sub-regional vehicle that enables Welsh Government strategic priorities to be translated into local scenarios.

Question 2 - How can we use existing EU funding sources to support

the sector?

There are many opportunities to support the maritime sector through the use of EU funding sources such as structural funds, territorial co-operation programmes (e.g. INTERREG), Erasmus+, Horizon 2010 and the European Investment Bank, in relation to enterprise/competitiveness, skills and innovation, as well as specific funding support of the sub-sectors – marine, fisheries and food, energy, tourism, transport etc.

An example of this is the 13 million Euros investment from the European Regional Development Fund through the Welsh Government to Marine energy company Minesto in May 2015. The funding is part of the commercial roll out, including the establishment of Minesto UK Headquarters in North Wales, and commissioning of the first commercial Deep Green power plant.

On a smaller scale the European Fisheries Fund administered via Fisheries Local Action Groups enables Welsh Government strategic priorities to be delivered at local and regional levels.

What should Welsh Government and others do to identify and make use of these?

The FLAG partnerships are a successful vehicle for enabling local partners to come together around agreed priorities that fit with Welsh Government strategic aims. The Welsh Government should further support these partnerships as they provide access to all the necessary stakeholders who are now used to meeting regularly and working together constructively in partnership to support the wider needs of the maritime economy. The FLAGs generally link with local authority European and external funding teams who could help support access to other EU funding streams. These teams are also linked in to WEFO's Regional Engagement Teams which will provide a further resource to signpost and encourage access to wider EU funding streams.

Question 3 - Please can you give an assessment of the way in which Wales is engaging with EU level initiatives such as the Ocean Energy Forum and Ocean Energy Europe.

Given the significant potential for marine energy in Wales, it is important that there is Welsh engagement in EU Initiatives such as Ocean Energy Europe and the Ocean Energy Forum. As such, it is pleasing to note that a number of Swansea Stakeholders- Swansea University, Tidal Lagoon Power and Marine Power Systems - are members of Ocean Energy Europe. We welcome the Welsh Government's involvement in the new Offshore Renewables Joint Industry Programme (ORJIP) for Ocean Energy, to support the development of the marine sector in Wales.

Ports

Question 4 - How effective are the Welsh ports and hinterland connections in Wales in promoting connectivity to Ireland and the rest of Wales?

The inclusion of the M4 and Pembrokeshire ports in the TEN-T Trans European Network highlights the importance of ports for connectivity between Wales, Ireland and the rest of Europe.

The Joint Transport Plan for South West Wales states that sea (and air) modes provide critical gateways into the region from the UK, Europe and beyond, and that there is considerable untapped capacity that could be used to improve access for people and goods. As such, policy IC3 within the Plan is to 'Work collaboratively to facilitate more reliable, effective and sustainable movement of people and freight to, from and through our ports. Also to improve access to our ports'. As such, we support the Welsh Government priorities to improve access to ports.

How do the Enterprise Zones help to promote the ports and related businesses?

Swansea is not part of an enterprise zone.

Question 5 - How can Welsh ports, ferry operators and related businesses benefit from and support the development of the Maritime economy, including ocean energy?

Ports and ferry operators can help develop the infrastructure needed to expand the tourism and related industries. Ports will provide a key role in developing the energy industry provision by providing the entry point for construction material for energy projects such as Tidal Lagoon. Local businesses will benefit from the increased opportunities arising from tourism and water sports activities based around the Tidal Lagoon. There will also be opportunities for local businesses to form part of the supply chain for the Tidal Lagoon, and other marine energy developments.

The Cruise Ship industry provides additional growth opportunities to exploit Wales's world-class maritime environment, unique culture and heritage, as well as other sport and leisure attractions to an international market. Although the industry in Wales is currently small (estimated to have been worth £2.6m to the Welsh economy in 2014), it is considered a relatively untapped industry which Wales is well-placed to grow in future years. However, this would require major investment in port infrastructure to cater for the requirements of the ever-expanding cruise ship industry, as well as greater partnership working with Port Authorities to address issues surrounding their infrastructure and marketing. In the past for example, the Celtic Wave initiative between Swansea, Milford Haven, Anglesey and Ireland aimed to raise awareness of the Irish Sea as a cruise destination and create greater linkages between ports. The current Cruise Wales initiative aims to carry on the legacy of Celtic Wave and maximise the benefits of the cruise ship market to Wales.

On a small scale, European Fisheries Fund support via the Swansea Bay Fisheries Local Action Group has enabled funding of a number of small projects to bolster the local fishing and related industries to better integrate them with the primarily leisure and regeneration activity at Swansea Marina. Support has been provided for practical projects to provide facilities for the local industry and supporting businesses such as cold storage and repair facilities that help to make the fishing industry more viable and enable it to sell locally. This benefits other local businesses such as repair workshops and food businesses that are actually then

able to sell fresh local catch.

What support should be provided to ensure this benefit is properly realised?

Raising awareness of the opportunities to businesses in these sectors will be key, consideration should be given to replicating groups such as the Industry Advisory Group set up to realise the commercial benefits from the Tidal Lagoon in Swansea Bay.

Consideration could also be given to funding Economic Impact Assessments to identify potential benefits from specific port developments and how potential benefits can be maximised to support local economies.

Social Benefit clauses for creating targeted recruitment and training, commitment to local sourcing and other community benefits should be built into maritime business contracts and funding offers.

Question 6 - What are the implications of the St David's Day announcement which proposes to devolve the responsibility of ports policy to Wales?

Devolution will enable port developments to be integrated with other transport infrastructure strategies and economic development functions which are already devolved.

In taking on this additional responsibility, the Welsh Government will need to ensure it is adequately resourced to manage ports policy in Wales. It will also be important to ensure that any divergence of policy with the rest of the UK would not disadvantage Welsh ports in any way.

How can this support connectivity and the development of the Maritime Economy?

Devolution of ports policy should enable Wales to be more responsive to the needs of its Maritime Economy.

Stakeholders will need to be involved in shaping the future of this sector.

Energy

Question 7 - How can Wales realise the strategic importance of planned initiatives such as the tidal lagoon projects in West Wales and the Anglesey Energy Island Programme?

Many key stakeholders participate in Fisheries Local Action Groups with a broad remit to support all sectors of the coastal economy. There would be benefit in linking with them (as rural issues have successfully been tackled through rural local action groups, e.g. common land issues).

Skills planning and training provision for the workforce requirements of projects is an essential element to realise the economic benefits offered from projects such as the Tidal Lagoon.

Large projects can help raise the profile of Wales and act as a lever for inward investment. Marketing activities should be aligned to the projects and resources in place to support investment enquiries.

Inward investment could also support development of clusters for the maritime sectors. Identifying and facilitating clusters of each maritime sector will exploit benefits from these industries and encourage supply chain opportunities.

Question 8 - Please tell us what you think are the key barriers and risks to development of ocean energy and how Wales can help overcome these.

The key barriers / risks are:

- Cost versus other cheaper energy solutions. The scale of development required to capitalise on ocean energy can make it costly with long timescales for payback. Support for research and innovation in these areas could help to drive down costs.

- Environmental impact and impact on other sectors eg tourism

Any investment should be balanced against potential economic benefits.

Please tell us anything else you would like to mention this topic, thank you for contributing to our inquiry.

**Disclosure of information**

The Assembly's policy on disclosure of information can be accessed [here](#), please ensure that you have considered these details carefully before submitting information to the Committee. This policy can be requested in other formats by contacting the Committee Clerk.

Submitting evidence

If you wish to submit evidence, please send an electronic copy of your submission form to SeneddEcon@assembly.wales.

Alternatively, you send it to:
Clerk,
Enterprise and Business Committee
National Assembly for Wales
Cardiff Bay, CF99 1NA.