

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 15	PME 15
Cymdeithas Porthladdoedd Prydain	Associated British Ports

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?

It is widely appreciated that ports are a key part of the supply chain of many large industries in Wales, including steel making, energy production, energy distribution, agriculture, construction and other manufacturing processes. A recent investigation undertaken by Arup (summary attached) indicates that ABP's ports in South Wales support 15,000 Welsh jobs and contribute over £1bn to the local economy annually.

Ports also enable significant value through the potential for regeneration and development of leisure and residential sectors for example Swansea SA1, Barry Waterfront and Cardiff Bay. In addition there are significant opportunities associated with coastal energy projects, wind, tide or wave driven which often require significant port infrastructure for their construction and operation.

ABP is encouraged that Welsh Government is focussing on the benefits provided by the maritime sector. ABP would wish to engage closely with WG in respect of inward investment and the potential offered by its strategic land areas on its Port estates and employment sites in close proximity with good access to Ports.

Are there any examples of best practice in this area?

There are a number of good examples within ABP where cooperation between Government and local authorities has secured significant investment and good quality sustainable employment, for example on the Humber, Greenport Hull is a combined investment in excess of £300m that will provide the offshore wind industry with a manufacturing and logistics hub to feed offshore wind developments in the North Sea.

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

In our experience most EU funding is aimed at connecting ports with other ports and their markets, and much of this is focussed on improving connectivity to and from accession states. The UK port sector is market led and developments are largely privately funded, apart from a number of recent exceptions, such as Great Yarmouth outer harbour and Liverpool Cruise Terminal, both of which have benefitted from EU funding streams and subsequently challenged for the public funding they received.

Other funding streams relate to environmental improvement initiatives facilitating the movement of goods by sea to reduce land transport journeys. Opportunities to facilitate such projects which link the UK with continental markets, as well as coastwise operations such as Motorways of the Seas, would be welcomed.

Provision for providing port facilities in need of investment with a “pump prime” to start a new route or attract new trades should also be considered. Port infrastructure investments are costly and, whilst grant funding can help bridge the gap, support would need to be carefully considered to ensure that state aid rules are not compromised and that markets are not distorted.

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

While revenue streams for investment in UK port infrastructure may be limited, as previously stated, specialist support from the Welsh Government into the availability and suitability of EU and local funding / support would be beneficial. This is especially important when considering that only a fraction of the available funding has been secured for UK development in the latest round of European funding.

Early consultation and engagement with key industry groups, port companies, importers and exporters and shipping lines/agents as to where opportunities for business growth and inward investment may

lie is essential in ensuring Wales maximises its potential. ABP would be very keen to engage with specialist Welsh Government officers with a good technical understanding of the various local, national and EU based support schemes to support opportunities in south Wales.

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.

ABP has not been involved with any of these groups, however it views renewable energy technology as a key opportunity that may be facilitated and supported by its ports.

Ports

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

While regular scheduled ferry services operate from the more western Welsh ports (Fishguard/Holyhead/Milford and Pembroke), the interconnecting infrastructure, namely road and rail, is reported to require improvement at a number of locations.

The Swansea Cork ferry provided a viable passenger and freight service and, for a limited season (April-October), this offered easier road access to an overnight crossing, ideal for passengers with cars from South Wales, the Midlands and the M4 corridor. A lack of suitable vessels and low cost airlines contributed to the demise of the service in the mid-2000s and the failure of a resurrected service in 2010/11, however ABP remains keen to see a replacement for passengers and freight to recommence.

ABP operates the Cardiff Container Line which operates, a twice weekly LoLo container service sailing between Cardiff and Warrenpoint/Dublin. It offers a door to door service to local exporters to Republic of Ireland and Northern Ireland. Key trades include steel exports for TATA and Celsa as well as various other building products and general cargo.

A relief road for the M4 around Newport is currently going through the design and consultation phases with the intention of orders being published in March 2016. Whilst ABP is supportive of improving motorway connections around Newport, it is concerned that the preferred black route will have a significant negative impact on existing and future operations at the Port of Newport, which is Wales' most significant general cargo port handling a wide range of industrial commodities including steel, coal, fertiliser, animal feeds, forest products scrap and other waste derived cargoes. Concerns have been publically voiced and an alternative crossing route over the port has been suggested by ABP which would mitigate the impact whilst not deviating significantly from the routes to the east and west of the port. Ensuring that connectivity between ports and the hinterlands they serve is vitally important, but so is preserving the infrastructure of port estates.

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

ABP has no direct experience of Enterprise Zones operating in its port areas but would be willing to explore this with Welsh Government.

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

Ocean/coastal energy is a key sector for Wales with its vast coastline and significant tidal ranges. Ports and their related industries (ferry operators etc) offer access to the creation and operation of ocean energy installations such as barrages, lagoons, offshore wind, tidal stream and wave generation. Such investment takes place on a massive scale providing long term economic benefits, as well as benefits during construction phases, the accommodation of suppliers to projects, the development of new technology, and the on-going legacy uses of bespoke facilities. The availability of competitive green energy should also support Wales in servicing or attracting energy-hungry industries, including manufacturing processes and data centres.

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

A suitably resourced, responsive, efficient, streamlined and consistent land and marine planning process, which balances the need for development with that of the environment and local public interest, is vital to realising the potential benefit of the maritime economy in Wales. Providing a level playing field for planning when compared with other planning regimes is also crucial.

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

It is not possible to foresee the full implications of the St David's Day announcement until there is greater clarity of the Welsh Government's approach to ports policy. Devolution of policy should aim to:

- Maintain a regular industry/government dialogue;
- Maintain the current market led approach to ports policy and the strategic and financial independence of Welsh ports, recognising the link between successful ports and a successful economy;
- Support the current mixed ownership model;
- Continually improve and make as efficient as possible the planning and marine consents system;
- Protect the marine environment in a sustainable way which balances environmental, economic and social needs pragmatically;
- Ensure that policy and legislation do not result in a loss of competitiveness with other UK or international ports;
- Improve infrastructure links to ports recognising the key importance of connectivity for freight and passenger movements;

- Exchange information on growth opportunities in port markets.

Current UK laws governing planning policy and marine consents for port operators and occupiers can sometimes create barriers to development and restrict growth. With devolution, the Welsh Government now has the opportunity to streamline this legislation and enable Welsh port operators to accelerate the introduction of well-planned schemes and encourage investment in ports across the country that will help boost the Welsh economy.

Welsh ports operate within a competitive market and the ability to make strategic decisions, free from unnecessary bureaucracy and red tape, is essential to their continued growth and success. Any development of devolved port policy needs to acknowledge this, as well as underpin a positive partnership where operators work with the Welsh Government to explore and maximise inward investment opportunities.

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

Policies should be designed to ensure that Welsh Ports are not disadvantaged in respect of their UK counterparts, and should help to position Wales as a great place for inward investors to promote development in the maritime sectors.

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?

In addition to the benefits brought directly by the investments, the ongoing advantages could be significant through the development and testing of new energy based technologies. If successful the Swansea Bay Tidal Lagoon will be the first of its kind in the world and would provide a focal point for further R&D based investment, possibly supported by the Swansea University and other specialist learning facilities. The opportunity for development of other lagoons in the Severn Estuary and further afield could also proving further on-going economic benefit to the region.

ABP has made a proposal to locate the turbine manufacturing facility

in Swansea and has neighbouring land that could support co-location of the secondary and tertiary suppliers to this high value sector.

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.

Barriers to major projects, such as tidal lagoons, relate to planning policies and processes and are covered above. It is important that other interests and needs are also properly considered through the planning processes. However, the principal barrier to overcome will be in relation to project funding and access to government subsidies designed to promote the transfer to green energy, e.g. Contracts for Difference. Without this commitment, other project finance will not be forthcoming to enable such projects to move from feasibility to delivery.

Suitable port infrastructure is also required to take full advantage of the maritime energy sector.

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

ABP would welcome participation in this inquiry and the opportunity to feed into the strategic direction of developing the maritime economy of Wales.

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.

ABP SOUTH WALES

Newport - Cardiff - Barry - Port Talbot - Swansea

DELIVERING JOBS AND DRIVING GROWTH



ABP's commitment to Wales



DRIVE GROWTH



SECURE JOBS



DELIVER
INVESTMENT



Keeping Britain Trading



www.abports.co.uk

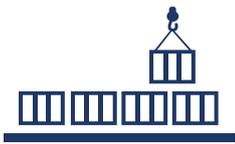


SOUTH WALES

GATEWAYS TO TRADE AND GROWTH



Promoting trade and sustainable distribution



ABP'S PORTS IN SOUTH WALES HANDLE OVER **12 MILLION TONNES** OF CARGO EVERY YEAR



NEWPORT IS THE **UK'S SECOND LARGEST** STEEL HANDLING PORT



ABP HAS **INVESTED £1.7 MILLION** IN A NEW **INTERMODAL TERMINAL** AT THE PORT OF BARRY



ABP CARDIFF OPERATES WALES' ONLY CONTAINER PORT AND SHIPPING LINE SUPPORTING WALES' **ACCESS TO GLOBAL MARKETS**

Supporting industry and manufacturing



ABP'S FACILITIES AT PORT TALBOT SUPPORT LOCAL STEEL PRODUCTION WITH **2.5M TONNES** OF COAL AND **5.5M TONNES** OF IRON ORE IMPORTED EVERY YEAR

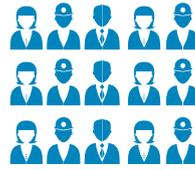


TATA STEEL SUPPORTS OVER **8,000 JOBS** IN SOUTH WALES



THE PORT OF BARRY HANDLES LARGE QUANTITIES OF LIQUID BULKS FOR LOCAL INDUSTRY – SILICONE MANUFACTURERS DOW CORNING PRODUCE OVER **200,000 TONNES** OF PRODUCT EACH YEAR AND **EMPLOY OVER 600 PEOPLE**

ABP makes a vital contribution to the economy



OUR PORTS IN SOUTH WALES SUPPORT **15,000 JOBS** IN WALES



AND **6,000 JOBS** ELSEWHERE IN THE UK



ABP'S PORTS IN SOUTH WALES CONTRIBUTE **£1.4 BILLION** TO THE UK ECONOMY EVERY YEAR



INCLUDING ALMOST **£1 BILLION** FOR WALES

OUR PORTS' CONTRIBUTION TO THE LOCAL ECONOMY:



BARRY:

3,000 LOCAL JOBS



CARDIFF:

2,000 LOCAL JOBS



NEWPORT:

3,000 LOCAL JOBS



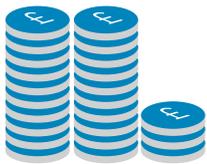
SWANSEA & PORT TALBOT:

7,000 LOCAL JOBS

ABP supports growth

ABP'S PLANNED INVESTMENT OVER THE NEXT 5 YEARS WILL GENERATE ANOTHER

£92 MILLION FOR THE ECONOMY EVERY YEAR



BARRY: **£231 MILLION**



CARDIFF: **£121 MILLION**



NEWPORT: **£186 MILLION**



SWANSEA & PORT TALBOT: **£454 MILLION**

CASE STUDY

ATTRACTING INVESTMENT

ABP's commitment to South Wales is helping to attract new investment and jobs. ABP has invested nearly £3 million in new storage and handling facilities at the Port of Cardiff and in doing so has helped to bring new manufacturing business to Wales through HDM Tubes. The steel tube manufacturing firm recently invested several million pounds in advanced tube welding lines alongside ABP's investment in new facilities at the port.

HDM Tubes' decision to relocate manufacturing operations from elsewhere in Europe has already seen the creation of 35 new jobs, with more to come as production increases. This is one example of investment by ABP that will raise our ports' annual contribution to the economy by £92 million every year, adding to the estimated £1 billion our ports in South Wales already contribute.

ABP GROUP



ABP CONTRIBUTED
£5.6 BILLION
TO THE UK ECONOMY
IN 2012



ABP PORTS SUPPORT
84,000 JOBS



**ONE QUARTER OF UK
SEABORNE TRADE**
PASSES THROUGH ABP'S
STATUTORY HARBOUR AREAS



**5 OF THE UK'S
LARGEST 20 PORTS**
BY TONNAGE ARE
OPERATED BY ABP



ABP PORTS ARE CRITICAL TO
THE SUPPLY CHAIN OF MAJOR UK
INDUSTRIES AND EXPORTERS:



CONSTRUCTION: **2,036,000 JOBS**



AGRICULTURE: **409,000 JOBS**



FOOD & DRINK: **339,000 JOBS**



ENERGY: **327,000 JOBS**



AUTOMOTIVE: **133,000 JOBS**

ABP IS A MAJOR PRIVATE
SECTOR INVESTOR:



£837 million

OF CAPITAL AND OPERATIONAL INVESTMENT
OVER THE NEXT 5 YEARS WILL ADD AN EXTRA

£1.75 billion

TO THE UK ECONOMY EVERY YEAR

ARUP ECONOMIC IMPACT STUDY

About

This summary paper is the outcome of a major study looking at the economic impact of ABP's 21 ports around Britain.

The study identifies direct, indirect and induced jobs associated with ABP's ports. It also measures ABP's economic impact by identifying each ports' Gross Value Added (GVA) contribution. GVA is a measure of Gross Domestic Product (GDP) which excludes taxes and subsidies.

As well as current GVA, the report looks at the additional GVA contribution which will be generated by ABP's programme of investment across the group.

The framework for the study was developed with reference to government guidance on evaluation and economic impact assessments, in particular guidance from HM Treasury and the Homes and Communities Agency.

Contact Information

Ralph Windeatt: Commercial Manager, South Wales
Telephone: 02920 835 062
Email: rwindeatt@abports.co.uk



ABP
SOUTH WALES
GATEWAYS TO TRADE
AND GROWTH



www.abports.co.uk

ARUP