

All Island Strategy for Freight, Ports & Shipping

North South Ministerial Council



Mullaghbawn, Ring of Gullion

21 May 2008

FREIGHT STUDY CONTEXT

- FDI challenge – attract & secure.
- Growing a dynamic and innovative economy.
- Globalisation & Trade diversification.
- EU perspective on trade and maritime economy.
- Emissions & Sustainability.
- Traffic congestion – too many cars.
- Peripheral regions & port access.
- 'Arc of affluence' Ireland, Scotland, Scandinavia.
- Dominant retailers and Regional Distribution Centres.

Freight economy & FDI

“Research shows that that the factors most important to business in making FDI decisions are transport, logistics infrastructure and labour costs...other important factors include skills and the potential for productivity increases..

Varney 2 Review, April 2008, p64 (quoting Ernst & Young Survey 2008)

The Challenge to Governments, Ports and Stakeholders

- 2030 – 8 million population, 40% between Dublin & Belfast with higher incomes and living standards.
- From an island perspective, can we say with certainty that adequate port capacity will be available in the optimum locations to meet growth needs over 25 years?
- Ports/Terminals operating at full capacity don't need to compete!

Freight - key characteristics

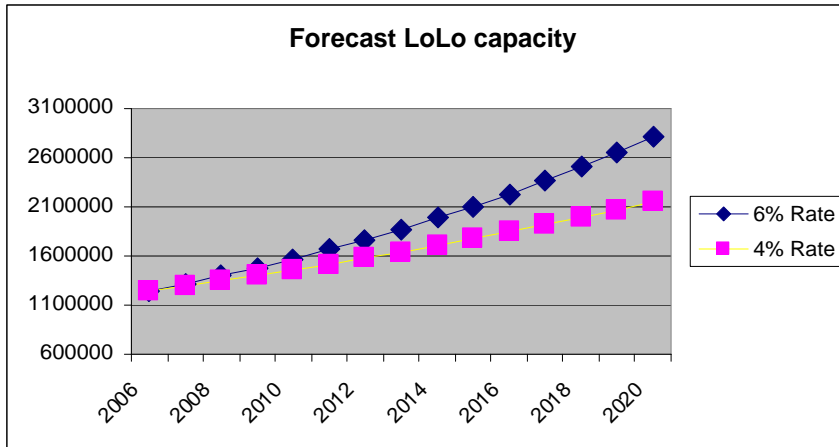
- Growth consistently exceeds GDP.
- Containerised traffic over the decade to 2006 through the Island's ports has increased by 125% in units of TEU, while Roll-on Roll-off (Ro-Ro) has increased by 70% in units of vehicles.
- Road haulage accounts for the overwhelming share of inland freight movements.
- Rail freight has declined in absolute volume in recent years and appears unlikely to recover much of this lost traffic.
- LoLo vital for 'deep-sea' freight movements – Nth America, Middle East, Australasia.

Transport & Investment

	N. Ireland	Great Britain	Ireland
Transport Capex/cap 2001-2007 £	386	786	1,900
Motorway Density (Km to Sq Km)	0.84	1.5	1.4
% Commute by car	84	71	68

(Source: Varney 2, DFP NI, JBC)

LoLo capacity target - 2015 Vs 2020



GB will double terminal capacity within 10 yrs – what about here?

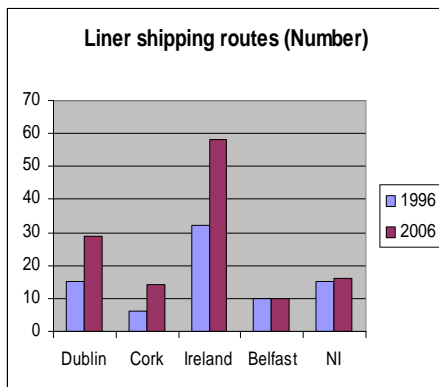
- Belfast, Cork, Dublin, have brought forward ambitious plans to expand terminal capacity.
- Cork/Dublin proceeding very slowly.
- Bremore?
- How much TEU capacity added since 2000?
- Is current rate of addition sufficient to avoid capacity crunch shortfall?
- Can we say with certainty that adequate port capacity will be available in the optimum locations to meet growth needs over 25 years?

Unitised (LoLo+RoRo) Market Shares

- 9 ports
- 2.5m freight units annually
- Top 3 = 80% or 27% average (Belfast, Larne, Dublin)
- Other 6 = 20% or 3% average

Rosslare: 5.3%
Cork: 4.1%
Waterford: 4.0%
Warrenpoint: 3.0%
Drogheda: 1.5%
Dun Laoghaire: 1.5%
Greenore? (Bulk only)

Looking out - New Lines, New Services



- Belfast-North America - example of new services tailored to needs of NI firms incl Bombardier, Terex
- Comparator: Rosyth-Zeebrugge sponsored by Scottish Enterprise
- Coastal corridor Glasgow-Belfast-Dublin-Cork?

Looking in - Traffic patterns and potential:

- Cross border:
E-W exceeds N-S by 30% consistently since 1996
 - Same period, cross border traffic growth Newry = 85% but
 - Derry/Lifford = 75%
- N16-A4 potential as link to Larne/Belfast not fully realised
 - Similar considerations apply to Nth Channel onward links via Scotland
 - Scope for TENS Ireland-Scandinavia via Scotland-Denmark (or Newcastle)?

An all-island integrated approach?

An integrated approach to research, policy development and planning would benefit a wide spectrum of freight and shipping stakeholders in both jurisdictions.

How to achieve?

- Forecasting and modelling freight flows
- Researching new/enhanced shipping corridors
- Higher levels of participation in EU-funded programmes, Marco Polo, TENS, INTERREG
- Driver Training to professional standards