



Port of Galway

**THE BUSINESS CASE AND TRAFFIC VOLUMES FOR THE PROPOSED  
HARBOUR EXTENSION AT THE PORT OF GALWAY**



**WITNESS STATEMENT**

Raymond Burke Consulting

AN BORD PLEANÁLA	
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## 1. Introduction

My name is Raymond Burke and, in this Witness Statement, there are two matters that I will deal with. They are:

1. The Business Case for the Harbour Extension
2. Galway Harbour Company Trade Projections

I will also consider certain Submissions received and conclude with the need for the Harbour Extension.

Raymond Burke Consulting is a practice specialising in maritime transport and economics.

I have a primary degree in Engineering from University College Dublin, a Master's degree in Engineering Science from the same University and an MBA from Trinity College Dublin.

As well as being a Chartered Engineer, I am a Fellow of the Chartered Institute of Logistics and Transport.

I also hold post-graduate qualifications in Statistics and Economics.

Prior to establishing my own business, I was a Director with KPMG Consulting where I specialised in maritime-related assignments.

I have prepared various reports for the Irish Government on Irish Ports and have also carried out a range of assignments for most of the commercial ports in Ireland at various times during my career to-date.

In this Witness Statement, drawn from my input into the EIS, particularly Section 2.2, I will show that there is an imperative over-riding public interest case for the proposed harbour extension at the location planned that will ensure the socio-economic sustainability of Galway, its hinterland and the West Region.

Since the submission of the Planning Application in early 2014, this Statement now includes details of the actual freight through the Port in 2013 and 2014, and more up-to-date information on trade developments.

## 2. The Business Case for the Harbour Extension

### 2.1 The Economic Importance of the Ports Sector

Ports are engines for growth; they are catalysers of economic development and sources of prosperity for cities, regions and countries. As an island nation, Irish ports play a key role in facilitating merchandise trade and tourist flows to and from the country. For Ireland, it is particularly important that industry remains competitive as prices are very sensitive to transport costs, particularly to port costs, and unnecessarily high charges or inefficient ports will increase the cost of importing and exporting goods. Further, it is not just about costs but efficiency. It is about the throughput of ports and the speed with which goods are turned around or brought in and out.

The core objective of Irish Government National Ports Policy 2013 is to facilitate a competitive and effective market for maritime transport services such as to ensure that the commercial seaports make a full contribution to facilitating economic recovery and prosperity. To make this contribution, ports need to be competitive and efficient in order to keep customer costs down and facilitate maximum trade.

This reflects the point made in the European Commission 2011 Transport White Paper<sup>1</sup> that *“transport is fundamental to our economy and society. Mobility is vital for the internal market. Transport enables economic growth and job creation: it must be sustainable in the light of the new challenges we face.* The White Paper goes on to note that *there is the need for well-connected port infrastructure, efficient and reliable port services. Those ports that are not well developed and efficient by international standards restrict the economies of both the regions they serve and the Union as a whole. Under-developed ports place pressure on infrastructure requiring the extension of berths, quays, locks, deepening of basins and reconfiguration to enable manoeuvring of larger ships.*

Port infrastructure throughout Ireland is beginning to suffer from capacity constraints, very much influenced by the worldwide trend that is seeing a growth in vessel size driven by a need to achieve economies of scale. This matter was well recognised in a Forfas document, entitled *Overview of the Main Infrastructure Issues for Enterprise*<sup>2</sup>, that notes that there is the need to develop deeper water facilities at Irish ports to accommodate the international trend toward larger shipping vessels and ensure that Irish importers and exporters continue to have access to a wide range and frequency of port services at competitive prices.

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<sup>1</sup> White Paper - Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system, European Commission, Brussels, 28.3.2011 COM(2011) 144 final

<sup>2</sup> Overview of the Main Infrastructure Issues for Enterprise, Forfas May 2012

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## 2.2 Galway Port

For Galway Port, it is clear that

- The harbour is no longer fit for purpose
- Its customers want 24 hour access, wish to use larger vessels and have argued for appropriate facilities to be provided as a consequence
- Existing outdoor and bulk storage facilities are also inadequate to deal with the increasing size and nature of vessels that wish to use Galway Port
- Galway is an important regional distribution centre for petroleum and bitumen products and it is important that tankers can access the harbour as and when required
- Galway is also an important tourist destination for the international cruise business
- There is an increasing demand for local maritime leisure facilities as part of a national 'necklace' of marinas; the Volvo Race has demonstrated the interest in maritime leisure activities
- It is national and regional maritime, environmental and spatial policy that there are the appropriate transport, including port, facilities and capacity available at the Gateways of the State of which Galway is one
- Failure to provide the required facilities will result in increased transport costs for industry, erosion of regional competitiveness, loss of potential revenue from cruise visitors and lead to job losses

Regional ports have a particular role to play in that they are catalysts for the economic development of their region supporting local industry and providing tourism and leisure facilities for visitor use.

In that regard, Development Objectives for the harbour extension were prepared and can be summarised as follows:

- To arrest the decline in the Port's core traffic
- To effect greater operational efficiencies
- To attract those trades excluded by virtue of the deficiencies in harbour infrastructure
- To benefit from the improved infrastructure in bringing new businesses and services to the port estate
- To enable the Galway region enhance its reputation as a major maritime tourism and leisure location
- To be a major Irish visitor destination for the international cruise business
- To sustain local and regional employment
- To facilitate the economic growth of the region
- To provide a direct rail link to the port

**2.3 Commercial Viability**

Both DKM Economic Consultants and I have, independently, prepared a Business Case for the Harbour Extension incorporating traffic and financial projections and have carried out a Cost Benefit Analysis of the proposed development.

Based on the projected volumes, I am satisfied myself that the development project is both commercially viable and sustainable. Most importantly, and as confirmed by surveys that we have carried out of the Port's customers and our own research, the customers will benefit from the proposed Harbour Extension in that they will be able to import/export goods at reduced unit costs thus enhancing their commercial viability and ensuring ongoing employment and enterprise in the region of Galway.

There is, therefore, a strong Business Case for the proposed development to proceed.

### 3. Galway Harbour Activity Performance

To put our traffic projections into context, we now look at the freight and cruise business at Galway Harbour and the business opportunities that we expect to arise from the Harbour Extension.

#### 3.1 Throughput

Trade through Galway Port in 2014 was 562,804 tonnes. This is an increase of 41,200 tonnes or almost 8 per cent on the 2013 volumes, reflecting significant demand by enterprises in the region for the services provided by the Port and, indeed, this growth figure is in excess achieved by Dublin Port Company or the Port of Cork. It is, of course, important that the Port can continue to grow underlining the importance of the Harbour Extension.

There were almost 180 ship movements in the year.

Imports are primarily petroleum products, bitumen, coal, steel, timber logs and windfarm turbines. Exports to-date are limestone, scrap metal, marina pontoons and Refuse Derived Fuel (RDF).

The products with the largest volumes through the Port are:

• Petroleum Products	378,750 tonnes
• Steel and Scrap Steel	54,200 tonnes
• Limestone & Calcium Carbonate Stone	53,700 tonnes
• RDF	41,400 tonnes
• Bitumen	26,450 tonnes

These freight statistics exclude the movements of the Marine Institute's two research vessels, the Celtic Explorer and Celtic Voyager, that are based in Galway, as well as the movements and freight of the cargo ferry that makes weekly trips to the Aran Islands.

#### 3.2 Throughput Analysis

I now would like to present details of the various trades through the Port and provide some idea of their potential over the next number of years.

The map overleaf identifies the location of the Port's principal customers and it can be seen that they are all in the natural hinterland of the Port of Galway.

##### 3.2.1 Petroleum Products

Petroleum imports are the principal trade through the Port. Galway is the gateway to the west and northwest located strategically for the oil companies to allow them to distribute their products north to Bunrana, east as far as Athlone and south as far as Ennis.

Location of the Port of Galway's Customers



By virtue of its strategic location, Galway is recognised by the oil industry as one of the three major distribution centres for petroleum products in Ireland.

The 2013 National Ports Policy document also recognises Galway's strategic regional role for petroleum importation, storage and distribution.

In recent years, oil storage facilities at Drogheda, New Ross, Cork City and Limerick have closed. Dublin, Shannon Foynes and Galway Harbour are the only remaining storage facilities in the state.

Presently, Galway handles approximately 11 per cent of the relevant petroleum products tonnage for Ireland which is a significant volume and demonstrates the importance of Galway as a strategic port not only for the region but also in a national context.

However, for a competitive infrastructure, the port must be capable of handling up to 20,000 tonne vessels at a minimum as tradable cargoes are expected to be between 10 and 25,000 tonnes on average.

As can be seen, throughput for 2014 was 378,750 tonnes reflecting the ongoing economic environment and mild winters, but volumes are projected to recover by 2019 spurred on by an improvement in the Irish and world economies, and the availability of the proposed Galway harbour extension that will allow the Company to operate more competitively by utilising larger oil tankers. Throughput is expected to continue to grow.

Topaz has confirmed its long-term commitment to Galway and, with security of supply playing a significant role in the operation of Topaz Energy Limited, Galway is its standby port for Dublin should the weather or an emergency in Dublin Port prevent it from supplying fuel to the capital and to the nation.

### **3.2.2 Bitumen**

Bitumen is imported by Cold Chon Ltd in 3,000 – 5,000 tonne vessels and is sold to local authorities for road works. The regular requirement for automatic maintenance of the motorway network underlines the importance of the trade. About 70 per cent of all bitumen production in Ireland is carried out at Cold Chon's emulsion plant in Oranmore and the company has a particular bias towards Galway because of its competitive costs and quality of service.

The product is pumped directly from the ship to its six tanks located at the Harbour Enterprise Park. The throughput of Bitumen at Galway in 2014 was in excess of 26,400 tonnes, a significant decline on recent years brought about the economic recession, its knock-on effect on the construction sector and an inability of Galway Port to facilitate the larger Bitumen ships. However, volumes are expected to recover quickly as the construction sector

benefits from increased spend.

Total storage capacity presently at Galway is some 20,000 tonnes and Cold Chon has secured planning permission for the construction of two new tanks with a capacity of 12,000 tonnes. The increased tankage will enable the new Port of Galway to be their hub for Northern Europe, for its US and other imports using, when the harbour extension is in place, 20,000+ tonne vessels. The company will then trans-ship product from Galway to UK ports and other European ports. Bitumen throughput is expected to increase significantly once the new facilities are in place.

However, the new bitumen tanks will only be constructed if the harbour extension proceeds.

### **3.2.3 Lime Stone**

McGrath Quarries of Cong is a leading producer of construction materials and began to export limestone to Scotland and Sweden in late 2011 for use in glass making in 2,000 tonne and 4,000 tonne shipments respectively. The first exports of limestone to Estonia commenced in January 2014.

The company continues to examine opportunities to export other limestone products such as calcium carbonate stone (CCS) and the first shipment of 6,000 tonnes of CCS for Nordic Sugar took place in October 2014.

Exports of Limestone and CCS in 2014 amounted to some 51,700 tonnes of exports and will continue to grow thereafter as new markets open up arising from the availability of the harbour extension that will allow larger vessels access the Port and thereby giving rise to economies of scale for the Company. With the extension in place, McGrath Quarries is planning to invest significant expenditure in new handling and warehousing facilities there.

### **3.2.4 Steel Imports**

The importation of steel, rebars, mesh and coil began in February 2003 and are used in the construction sector particularly for roads, bridges and commercial buildings.

### **3.2.5 Scrap Steel Exports**

Scrap steel is currently exported to steel mills in Spain and Portugal in 3,000 tonne vessels. It is expected that the proposed harbour extension, offering deepwater facilities, will result in greater volumes of the product to be exported in larger shipments to existing and new markets.

Steel imports and scrap steel exports make up one of the largest product groupings through the Port of Galway at 54,200 tonnes in 2014

### 3.2.6 Refuse Derived Fuel (RDF)

Shipments of RDF exports commenced in December 2013. Volumes in 2014 were almost 41,400 tonnes that should reach 100,000 tonnes in 2015.

### 3.2.7 Coal and other Energy-related Products

Coal is imported from Poland, Spain and the UK in 4,000 – 4,500 tonne consignments. Coal imports are intermittent and is a declining business, and very much influenced by the introduction of natural gas to Galway and the region, changes in Government energy policy, carbon tax and environmental legislation.

### 3.2.8 Onshore Renewable Energy

In recent years, Ireland has made major strides in developing renewable energy and the significant growth in electricity from such sources is largely attributable to onshore wind. It is anticipated that much of the future growth will occur in the west of Ireland.

Galway Harbour Company has begun to benefit from imports of wind energy plant. To-date, there have been eight shipments of windfarm turbines on behalf of Enercon. From discussions with Enercon and other companies, the Port of Galway expects this sector to contribute to the Company's business growth in the future and, most recently, has provided a number of quotations for the import of loads in 2015 and following years. Current estimate of plant to be imported is of the order of 75,000 tonnes.

### 3.2.9 Offshore Energy Sector

There have been a number of published reports that have identified the potential opportunities arising from the Offshore Energy Sector and how well Galway Port is located to benefit from them.

They include:

- Assessment of the Irish Ports & Shipping Requirements for the Marine Renewable Energy Industry<sup>3</sup>
- The Irish Ports Offshore Renewable Energy Services (IPORES) Report<sup>4</sup>
- The recently published Government Offshore Renewable Energy Development Plan (OREDP)<sup>5</sup>

The relevant extracts are appended to this Statement.

Each found that Galway Harbour is strategically located to take advantage of opportunities in marine renewable energy developments especially from

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<sup>3</sup> *Assessment of the Irish Ports & Shipping Requirements for the Marine Renewable Energy Industry*, RPS, June 2011

<sup>4</sup> *The Irish Ports Offshore Renewable Energy Services" (IPORES) - A Review of Irish Ports Offshore Capability in Relation to Requirements for the Marine Renewable Energy Industry*. IMDO Nov 2012

<sup>5</sup> <http://www.dcenr.gov.ie/Energy/Sustainable+and+Renewable+Energy+Division/OREDP.htm>

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offshore wind and wave resources off the west coast. The Reports noted, though, that the potential for using the Harbour by the sector is limited at present due to constraints with regard to depth, quay space and available hinterland for assembly and storage of towers and turbines.

National Ports Policy also endorses the potential for Galway Port as a location to service the Offshore Energy Sector.

It is worth noting, also, that the submissions from the Irish Offshore Operators Association, the Atlantic Ocean Energy Alliance and Galway Technology Centre support the Harbour Extension and point out that the Extension will position Galway and Ireland to capture the benefits of offshore, wind and wave energy and will provide a real and sustainable economic opportunity.

Galway Harbour Company has engaged with NUIG/GMIT/MI/IDA and is promoting Galway Harbour as a centre of excellence for marine related SMEs and the IT sector. The 'Harbour Campus' sets out an overarching plan to provide business and academic bases in the heart of the harbour and city centre. The signing of the long-term lease with the Marine Institute for locating SmartBay at Galway Harbour Enterprise Park is a step towards establishing the Harbour Campus as the west of Ireland's foothold in ocean and wave energy businesses.

#### **3.2.10 Timber/Logs**

The first shipment, some 2,700 tonnes, of logs from Scotland for the Murray Timber Group, occurred in early July 2014. There have been subsequent shipments since.

#### **3.2.11 Other Import/Export Opportunities**

Our research would suggest that the following areas offer potential for new freight through the port now and when the harbour extension is in place:

- Energy Products including biofuels and biomass
- Bulk Products including fertilisers, animal feed, iron and cement

#### **3.2.12 Rail Freight**

Galway Harbour Company strongly supports the development of rail freight and will facilitate its provision as far as it is practicable and commercially viable. It is estimated that the cost of the rail spur and associated signalling is of the order of €10 million. Galway Harbour is close to the rail network and therefore is well located to contribute to and benefit from any development of rail freight.

The inclusion of the rail link in the proposed Harbour Extension offers customers the option of a modal switch to a more environmental friendly and sustainable transport option. This also complies with the goals set out in the

Government's policy document: *Smarter Travel - A Sustainable Transport Future – A New Transport Policy 2009 – 2020* and, in particular, the goals of a reduction in reliance on fossil fuels and a reduction in transport emissions.

### 3.3 The Cruise Industry and Marine Leisure

Tourism is a major economic generator for Ireland creating jobs and income for the local economy. According to Failte Ireland, more than 7.5m overseas visitors came to Ireland in 2014 generating foreign earnings estimated at €3.7bn. Cruise tourism and the marine leisure sectors are important components of the tourism business and are particularly important for Galway Harbour Company and the West region. This is explicitly recognised as such in the Ports Policy document noting that the Government supports the Company's efforts to develop this business.

#### 3.3.1 The Cruise Industry

Cruise tourism is one of the few global sectors that continues to thrive in the current economic downturn. Internationally, the annual growth rate is some 7 per cent and has trebled in the last decade.

Ireland, also, has seen a significant growth in cruise vessels and passenger numbers visiting Ireland.

In 2013, 285 cruise vessels, with an estimated 420,000 passengers and crew, visited Ireland, a growth of 17 per cent on the number of vessels that came to Ireland in 2012.

Galway had eight cruise scheduled for 2014 and a similar number is scheduled for 2015 with a further five, at this time, for 2016.

There is significant evidence to show that the cruise sector generates a major economic boost for the port areas and regions that are visited. These economic benefits arise from:

- spending by cruise passengers and crew;
- shoreside staffing by the cruise lines, marketing and tour operations
- expenditures by the cruise lines for goods and services necessary for cruise operations;
- spending by the cruise lines for port services;
- expenditures by cruise lines for maintenance purposes.

There is anecdotal evidence that up to thirty per cent of cruise visitors return to Ireland at a later stage for a more extensive stay.

According to a Cruise Tourism Report<sup>6</sup> published by Failte Ireland in 2012, the spend per passenger during their disembarkation varies and is very much

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<sup>6</sup> Cruise Tourism to Ireland Research Report 2010 – Failte Ireland 31 Jan 2012

dependent on location, attractions on offer and duration of stay. The Report notes that the average cruise tourist spend was of the order of 71 Euro per passenger, while embarking passengers spend considerably more. Expenditure by crew is also significant considering those that disembark spend an average of €48.

Of passengers who disembark at Irish ports, 30 per cent have made some form of advanced payment which covers their disembarked time in Ireland. The average prepayment made by these passengers was €116.

It is estimated that the direct total spend of cruise visitors to Ireland in 2013 was some €20 million without taking into account the multiplier effects and the spend of the cruise lines themselves on local purchases and services.

The challenges for ports include the ability to handle the ever-increasing size of cruise vessel that offer economies of scale for the cruise line companies: thirty-one new ships are on order for delivery in the next 5 years of which 21 will exceed 100,000 gross tonnes and ship lengths increasing to 330-360 metres LOA. It is anticipated that within the next 5 years, 65 per cent of ships will be 300m-360m LOA.

Cruise operators are always seeking new destinations for passengers and, notwithstanding the number of cruise vessels that come to Galway annually, Galway has been unable to capitalise on this lucrative business because of inadequate landing facilities and size of vessel.

In fact, in May 2014, The Cruise Ship Thomson Spirit had to divert to Belfast as weather prevented the ship being serviced in Galway. And, in late August 2014, the 238 metre Crystal Symphony, with 922 passengers and 545 crew on board, had to depart Galway Bay earlier than planned due to problems bringing passengers safely ashore.

The ship had been due to moor for the day near Mutton Island, however the choppy waters meant difficulties in ferrying the passengers ashore. In the interest of passenger health and safety and with the threat of further bad weather looming, the Captain decided not to continue these attempts and instead to sail on to Cork, eight hours ahead of schedule.

This was a bitter blow for Galway Harbour and for businesses in the city and county who were expecting a major boom in trade with the ship's passengers due to explore the city streets or join tours to sights such as Aran Islands, Kylemore Abbey, Ashford Castle, and the Cliffs of Moher. I estimate that the early departure resulted in a €150,000 loss to the local economy.

The Company has an active and ongoing campaign of attracting the major

cruise operators to Galway, and, since March 2010, the Chief Executive and/or the Harbour Master, as part of the Cruise Ireland party, visits the Cruise Convention in Miami to meet them. The cruise sector is a growing business and operators are always looking for new locations because of the extent of repeat business.

Last year, 2014, was no exception when the Harbour Master met a number of operators there who expressed particular interest in adding Galway to their itineraries. However, the repeated message to him was '*build the port and we will come*' as the quality of infrastructure is key and operators do not want to tender passengers ashore but want to dock alongside the quay.

The development proposals being submitted by Galway Harbour Company will allow larger cruise vessels visit Galway with a significant increase in the average number of passengers and crew, and will also allow liners to berth alongside rather than have to use tenders to ferry tourists to the quay from an anchorage or mooring in the Bay that is the present practice. During inclement weather, it can be difficult for passengers to disembark.

The current strategy being pursued by Galway Port is to establish "Cruise Galway" as a firm fixture and favourite on all major cruise line itineraries.

As I said earlier, cruise tourism has significant economic and commercial potential for the city and the local region, and it is an objective of the Harbour Company to make Galway a major destination for the cruise sector. The company is targeting a modest 15 cruise vessels in the first year of the proposed harbour extension with significant growth thereafter.

### **3.3.2 Marine Leisure Berths**

Sailing and yachting is a significant activity at Galway Harbour.

In addition to the existing 40 berths, Galway Harbour Company intends to provide a further 200 berths in the old port area once the new facilities are in place and harbour operations transferred to the Harbour Extension. An extra 216 berths are proposed for the Western Marina under Stage 4 of the proposed harbour extension.

## 4. Trade Projections

I now set out our trade projections for the proposed new harbour extension that is being promoted by Galway Harbour Company.

### 4.1 Framework

Given the degree of uncertainty in relation to the nature of and the future volumes of freight traffic, particularly in relation to new traffic, and the economic climate that we presently and will find ourselves in, three traffic scenarios for a period of sixteen years from project commencement (2019 – Year 1) have been prepared: High, Medium and Low and are set out below in Tables 4.1(a), 4.1(b) and 4.1(c) respectively. The Medium set of projections is considered as the central or Baseline scenario.

The projections are based on

- historical trends
- our present understanding of likely developments in the various trades and with end-users
- informed from discussions held with the Port's principal major customers and potential customers and consideration of their development plans, and
- take into account 'optimum bias' on the part of respondents

Because of the commercial nature and sensitivity of individual customer's business plans and traffic projections, we do not disclose individual product projections but consolidate them in terms of

- Liquid Bulk
- Dry Bulk

**It is important to point out that the actual traffic volumes will, of course, be influenced by a number of factors and developments many of which are outside of the control of the Harbour Company.**

### 4.2 Assumptions

We set our projections within the following assumptions:

- All projections have been prepared on a prudent and conservative basis; throughput post 2024 has been maintained at 2024 volume
- The port infrastructure is in place that allows the harbour handle 20,000+ tonne vessels and cruise vessels
- The Irish and world economies have recovered, and the annual growth in Irish GDP/GNP will be in line with Government estimates
- There will have been a strong revival in the construction sector and the national and regional road maintenance programmes will have returned to required levels
- Targets of freight throughput of 969,000 tonnes in 2019, the first year of operation, and 1.93 million tonnes in 2023 are achieved
- The Fisherman's Pier is provided
- No consideration has been taken of possible scheduled and regular Lo-Lo traffic

- The Western Marina is constructed in 2024 with a gradual build-up of berths achieving the extra 216 berths from that development by 2026

### 4.3 Detailed Projections

The following tables provide an overview of the three freight projections while Fig 4.1 provides a graphical representation of the projections with and without development.

**Table 4.1(a): Traffic Projections with Development – High Scenario**

	2014	2019	2024	2029	2033	2035
<i>Liquid Products</i>	405,206	603,000	1,370,000	1,370,000	1,370,000	1,370,000
<i>Dry Products</i>	157,598	390,000	792,000	792,000	792,000	792,000
<b>TOTAL</b>	<b>562,804</b>	<b>993,000</b>	<b>2,162,000</b>	<b>2,162,000</b>	<b>2,162,000</b>	<b>2,162,000</b>
<i>Cruise Vessels</i>	6	20	30	35	38	40
<i>Marina Berths</i>	40	40	240	456	456	456

**Table 4.1(b): Traffic Projections with Development – Baseline Scenario**

	2014	2019	2024	2029	2033	2035
<i>Liquid Products</i>	405,206	586,000	1,200,000	1,200,000	1,200,000	1,200,000
<i>Dry Products</i>	157,598	383,000	732,000	732,000	732,000	732,000
<b>TOTAL</b>	<b>562,804</b>	<b>969,000</b>	<b>1,932,000</b>	<b>1,932,000</b>	<b>1,932,000</b>	<b>1,932,000</b>
<i>Cruise Vessels</i>	6	15	24	29	34	36
<i>Marina Berths</i>	40	40	240	456	456	456

**Table 4.1(c): Traffic Projections with Development – Low Scenario**

	2014	2019	2024	2029	2033	2035
<i>Liquid Products</i>	405,206	500,000	625,000	625,000	625,000	625,000
<i>Dry Products</i>	157,598	290,000	330,000	310,000	310,000	310,000
<b>TOTAL</b>	<b>562,804</b>	<b>790,000</b>	<b>955,000</b>	<b>935,000</b>	<b>935,000</b>	<b>935,000</b>
<i>Cruise Vessels</i>	6	10	10	15	20	20
<i>Marina Berths</i>	40	40	240	390	390	390

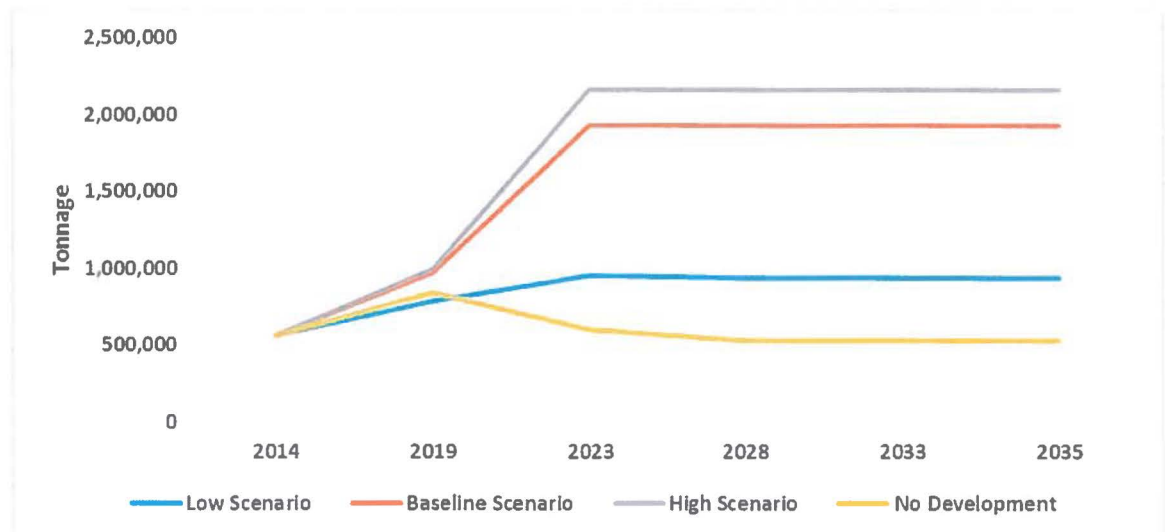
#### 4.4 Failure to Develop

A failure to develop would see traffic volumes decline rapidly, as shown in Table 4.2 below, such that the company itself would become unviable. In addition, the failure to construct the new facilities would, of course, have implications for the economic health of the region in terms of the number of jobs that would be put at risk and the financial injection that would be lost because of the reduced number of cruise vessels that would visit Galway and the failure to develop local marina facilities.

**Table 4.2: Traffic Projections – Without Development**

	2014	2019	2024	2029	2033	2035
<b>Liquid Products</b>	405,206	525,000	290,000	250,000	250,000	250,000
<b>Dry Products</b>	157,598	315,000	315,000	278,000	278,000	278,000
<b>TOTAL</b>	<b>562,804</b>	<b>840,000</b>	<b>605,000</b>	<b>528,000</b>	<b>528,000</b>	<b>528,000</b>
<b>Cruise Vessels</b>	6	5	3	3	3	3
<b>Marina Berths</b>	40	40	40	40	40	40

**Fig 4.1: Traffic Projections with/without Development**



## 5. Comments on Submissions Received

An Bord Pleanála has received many submissions in support of the proposed Harbour Extension.

In this section, I wish to deal briefly with some of the points made.

A number of companies involved with the activities at the Harbour, for example Cold Chon, Topaz, McGraths and Barna Recycling, have noted that the Extension is necessary to deal with the growing size of vessel which, if not addressed, will impact on the viability of their particular company and will lead to further road traffic as freight is diverted to alternative ports and the consequent impact on transport costs, the environment and traffic volumes. Further, their unit transport costs would increase if there were unable to load/unload at Galway.

Galway Metal Company and Dominic Lydon (Galway) Ltd also argue the case for the Harbour Extension because of the employment implications should the development not proceed.

P & O Maritime, which manages and operates the two Marine Institute-owned research vessels, the Celtic Explorer and Celtic Voyager, has raised the matter of infrastructure constraints that effectively locks their vessels in or out of the Port ten hours at a time. They point out that a deep water berth unrestricted by tide would benefit, not only their operation, but would also attract other research institute vessels from overseas as well as benefiting NUIG and GMIT.

Faillte Ireland and others representing the tourism, cruise and hospitality interests have highlighted the importance of allowing passengers to go directly ashore without the use of tenders and that this will enhance the tourism business.

The attractiveness of the harbour for marine tourism and the economic benefits arising have been noted in a number of submissions particularly those by Galway Bay Sailing Club and Galway City Sailing Club.

The business sector, as represented by the Galway Chamber of Commerce, the Galway City Business Association and Galway Business & Professional Women's Association amongst many others, argue that the Harbour Extension will deliver a huge economic and social dividend to the City of Galway and the western region.

As I pointed out earlier, offshore and renewable energy interests, represented by the Irish Offshore Operators Association, the Atlantic Ocean Energy Alliance and Galway Technology Centre, note that the Harbour Extension will position Galway and Ireland to capture the benefits of offshore, wind and wave energy and will provide a real and sustainable economic opportunity. The extension will also allow Galway Harbour Company to deploy fullscale wind, wave energy devices without depth restrictions for these specialised ships.

The Submissions from Galway County Council and the West Regional Authority have confirmed that the proposed harbour extension was identified as having the potential to

contribute to both tourism and enterprise in the local economy and considered critical for supporting regional growth.

Galway City Council, in its detailed submission, notes that the need for the harbour extension is fully supported and cited the many economic, commercial and tourism benefits that will arise. It raises two points that I would like to address:

- **The robustness of the Business Case:** the Board of Galway Harbour Company recognises its responsibility under corporate governance requirements to ensure that any planned investment does not jeopardise the Company's commercial viability. It has already carried out due diligence on the traffic projections and has satisfied itself that they are realistic. Following the granting of planning permission, the Board will review again, in the light of any developments since occurring, that both the traffic and financial projections are still valid
- **Use of Rail:** we note the comments on the use of Rail and concur that there are many advantages arising from same. The introduction of any rail connection will occur after a detailed Business Case has been carried out that examines the viability of the connection including the likely freight traffic that would use it, any extra costs that users would have to bear and the benefits for them arising, and the financial return to Irish Rail and Galway Harbour Company. Irish Rail, in its submission, has indicated that the feasibility of the rail link being brought into operational use is dependent on its commercial viability being demonstrated

According to the European Commission<sup>7</sup>, freight movements over short and medium distances (below some 300km) will, to a considerable extent, remain on trucks. Nevertheless, as I mentioned earlier, the inclusion of the rail link in the proposed Harbour Extension offers customers the option of a modal switch, if they so wish, to a more environmental friendly and sustainable transport option. This also complies with the goals set out in the Government's policy document: *Smarter Travel - A Sustainable Transport Future – A New Transport Policy 2009 – 2020* and, in particular, the goals of a reduction in reliance on fossil fuels and a reduction in transport emissions

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<sup>7</sup> *Roadmap to a Single European Transport Area – Towards a Competitive and Resource-Efficient Transport System*, European Commission's White Paper, 2011

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Objectors to the Harbour Extension have raised a number of points. For instance

- It is suggested that the planned harbour extension is at odds with Irish Government and EU policy. We wish to point out that the planned development is in line with EU and national policies. Both recognise the importance of ports as engines of economic growth.

The core objectives of Irish National Ports Policy are to facilitate a competitive and effective market for maritime transport services and to ensure that Ireland is served by adequate and efficient port capacity into the future

The Policy framework provides for a tiered categorisation of ports, based on market share, with Galway being designated as a Port of Regional Significance. The role of such ports is to serve their hinterland and support balanced regional development through handling and promoting regional freight, leisure, cultural and recreational facilities. This is reaffirmed in the legislation establishing Ports of Regional Significance, namely, the Harbours (Amendment) Bill, 2014.

It is also noted that regional ports may have national significance in terms of specialist services or products. The existing and proposed freight business is very much focused on local customers based in the West region serving the region and nationally. Government policy recognises Galway's strategic regional role for petroleum importation, storage and distribution (page 30 of the 2013 National Ports Policy document); its importance as a cruise destination (page 32), and its potential for supporting the offshore renewable energy market (page 45)

There is nothing in the Ports Policy document that says that Regional ports cannot compete, expand or develop. In fact, Ports Policy is not prescriptive as regards the location of future port capacity. The development proposed is a rational response to the required needs.

National and Regional Planning Guidelines, the Policy document notes, should also recognise the importance of the three categories of ports and allow for their continued development.

The ultimate goal of any development must be Sustainable Development and for the proposed harbour extension we have shown that this is occurring at a number of levels

- From a GHC perspective
- From a freight throughput perspective
- From an environmental perspective
- From a customer perspective
- From a regional perspective

A key point I should like to point out is that the submission from DTTAS, who are in fact the authors of the Ports Policy document, highlighted the value of Galway Port, and its expected contribution to a number of business sectors.

## Witness Statement of Raymond Burke Consulting

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It should also be noted that the Galway Harbour Extension project was identified by the Irish Government as a possible key investment project that is economically viable and was submitted to and is listed in the recent Report<sup>8</sup> of the Special Task Force on *Investment in the EU*, p267 of Annex 2, Part 1

- I would like to point out that the proposed Harbour Extension is both plan-led and commercially-led. It is plan-led in that it formally and in a structured manner addresses the stated needs of Galway's customers, and reflects the goals of National Ports Policy for regional ports. It is commercially-led in that it would be irresponsible for the Board of the Port of Galway to propose a development which is not supported by a Business Case and Cost Benefit Analysis that have shown the rationale of the Extension
- My colleagues, Gus McCarthy and John McCarthy, have well addressed the case of why Foynes and Rossaveal are not realistic alternatives to Galway and have also referenced the Report prepared by DKM in this regard

Customers decide which port they will use, not the other way round. Customers decide on the basis of a range of evidence-based criteria that can be benchmarked, driven primarily from an overall economic perspective – the cost of transport to and from origin and departure ports, the vessel costs, the onward cost of distribution, freight handling/stevedoring and storage, as well as such matters as berth length and availability, and water depths, but there can also be strategic, convenience and service reasons. For instance, McGraths, who export limestone, noted in their submission that they carried out feasibility studies to determine if limestone could be exported out of Sligo, Killybegs, Limerick and Foynes and found that it is uneconomic to export the product out of any other port than Galway. Topaz, who also use the oil storage facility at Foynes, requires the Galway facility to improve their service to the West region

I presented a map of the locations of the Port's customers; they are all based in the Port's natural hinterland; an alternative port would add cost and time which have been confirmed from a survey requested of our key customers' for their unit transport costs door-to-door

- It is important to note that we are not dealing with a zero-sum game in so far as other ports are concerned. Growth in volumes of a port does not compromise growth elsewhere, and, it is worth noting how Knock can operate even though it is in the sphere of influence of Shannon Airport
- In terms of proportionality, it should be noted that the total quay length of the existing port is 1,100 metres of which 660 metres *only* are in actual use for current customers

Stage 1 of the Harbour Extension envisages two quays of a total length of 600 metres: a dedicated quay of 200 metres for the import of fuels and bitumen, and the second berth of

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<sup>8</sup> [http://ec.europa.eu/priorities/jobs-growth-investment/plan/what/index\\_en.htm#taskforce](http://ec.europa.eu/priorities/jobs-growth-investment/plan/what/index_en.htm#taskforce)

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400 metres is for non-liquid bulk freight traffic. The oil quay is unsuitable for freight business due to the narrowness of the road access along the quay.

In considering the scale of the proposed development, it can be seen that the overall planned berth lengths are comparable to the length of the existing active berths. The additional capacity arises from 24 hour availability, deeper water at the berths and a 400 metre turning circle

- It has been suggested that cruise vessels should dock at Rossaveal rather than at Galway because many visitors wish to see Connemara. While visitors may well wish to visit Connemara as well as other locations, there are a number of reasons why docking at Rossaveal is not appropriate including infrastructure limitations; however, in the first instance, visitors are more interested in shopping for local goods and seeing the sights of Galway City as reflected in the various submissions from local business interests and the cruise sector. Also, the various needs of cruise vessels can be better addressed in the City than at Rossaveal
- It has been submitted that the projected growth in freight volumes through Galway will come about from traffic taken from other ports, in particular, Tier 1 ports such as Shannon Foynes. The projected growth derives primarily from organic growth of existing product lines as described in the Witness Statement with the balance from new business from the Port's natural hinterland
- Both DKM and I have prepared detailed cost-benefit socio-economic assessments of the value of the extra business that will arise from the proposed harbour expansion. We found that there are significant benefits arising from the extra trade for the companies and employees concerned in terms of increased profitability, reduced unit costs, safeguarding existing employment if not growing it, as well as the opportunities arising for suppliers and sub-suppliers, and the consequent extra spend in the local economy. The maritime leisure and cruise sectors are also important generators of economic activity for the local and regional economy

## 6. The Need for the Harbour Extension

My Witness Statement has set out our forecasts for traffic through the new harbour extension and the rationale for the projections. I have also indicated that there is a Business Case for the Harbour Extension.

The port, at present, does not provide 24 hour access and, increasingly, vessels are constrained from using Galway Harbour because it suffers from

- Insufficient water depth
- Inadequate quay length and limited berthage
- Narrow harbour access
- Being tidal, and
- Is a gated port

In addition, the port suffers from very little serviced land directly alongside the quay for harbour-related industry, storage and facilities, and navigation into the docks can be quite difficult requiring expert pilotage and navigation.

Three of the port's principal customers – Topaz, McGrath's Limestone and Cold Chon – are on the record, and reflected in their submissions to An Bord Pleanála, that, due to increasing size of vessel, they will no longer be able to service Galway at the volumes historically handled and will be required to use alternative ports. Further, the existing constraints do not allow them to grow their business which they would wish to do at Galway.

The Harbour Company receives regular enquires about the use of the port for new imports and exports. Most of them have to be refused because of the inadequate facilities.

A new, modern, state-of-the-art harbour extension will allow the Harbour Company to attract new business and services. The offshore energy sector, for instance, is an industry sector that is expected to become a major economic opportunity as Ireland seeks to reduce its carbon footprint and dependency on fuel imports. Galway is well suited to be the port of choice for those facilities to be located off the coast of Galway, Mayo and Clare. The RPS and IPORES Reports as well as the recently published Government Offshore Renewable Energy Development Plan have confirmed this fact.

There is no doubt that the Volvo Race in 2009 placed Galway on the map as the location to visit for those interested in maritime leisure. The return of the Race in 2012 is a testament to the superb organisation that the Harbour Company and others provided for the earlier Race. At this time, there are limited facilities available for those who wish to visit Galway and use it as a base for maritime tourism. The harbour extension will open up the area for new berths.

As the harbour expands and grows, there is no reason why a local maritime cluster should not develop benefiting from proximity to the harbour and offering relevant transport and distribution services to the many companies that will be using the port. These Distribution Centres could act as logistic hubs for the holding of stock and the supply to markets

throughout Ireland and overseas through Galway Port as is common in many UK ports.

There are significant economic, employment and financial benefits to be achieved from the proposed development, during construction and when in operation, and this is reflected in the support that the proposal has received from local business interests, the Galway City and County Councils as well as the West Region Authority.

The cruise industry is one of the fastest growing international leisure businesses. Galway has much to offer in this regard and this has been corroborated by the visits by the Harbour Company to the annual Cruise Convention in Miami. Cruise companies are always seeking new locations to visit and have expressed great interest in visiting Galway. Difficulties with mooring at the docks have been a constraint to-date for cruise vessels wishing to use Galway Harbour. The case of the Crystal Symphony in August 2014 that I described is a good example of this. The proposed harbour extension will allow easy and immediate access to Galway City.

The spend from the cruise industry and maritime leisure visitors is significant and there are valuable direct and indirect employment spin-offs as well as being a major boost to the local economy from the purchase of gifts, as well as on eating and drinking in local restaurants and bars, and visiting sites of interest.

Including port dues and local ship spend which can be considerable, we estimate that the overall economic contribution from the fifteen cruise vessels projected for 2019 could be worth almost two million Euro to the Galway and West region economy depending on the number of passengers disembarking and taking local tours. If Galway were to become a port of embarkation, the economic impact would be even greater.

I have noted that cruise visitors often return to Ireland for a more extensive holiday. We should capitalise on this.

As a Gateway City, failure to progress the harbour extension will have a significant impact on the local and regional economy and the proposed freight projections underline the case for the proposed development.

We, therefore, argue that the harbour extension is required

- To arrest the decline in the Port's core traffic
- To attract those trades excluded by virtue of the deficiencies in harbour infrastructure
- To provide improved infrastructure that would bring new businesses and services to the port estate
- To enable the Galway region enhance its reputation as a major maritime tourism and leisure location
- To be a major Irish visitor destination for the international cruise business
- To protect and grow job numbers
- To facilitate the economic growth of the region

## **Witness Statement of Raymond Burke Consulting**

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These reasons demonstrate the over-riding public interest for the proposed Harbour Extension: the Extension will secure, safeguard and gain employment for its customers, it will ensure that businesses in the region that rely on the Port remain viable and competitive, and the Extension will provide the necessary connectivity to its hinterland that contributes to the economic sustainability of the region.

**Appendices – Extracts from Relevant References**

**Assessment of the Irish Ports & Shipping Requirements for  
the Marine Renewable Energy Industry**

## Witness Statement of Raymond Burke Consulting

### IRISH SHIPPING & PORTS REQUIREMENTS FOR THE OCEAN ENERGY INDUSTRY | JUNE 2011

#### Galway

<b>Proximity to Main Test Beds &amp; Offshore Installation Sites</b>	Situated centrally on the west coast, Galway is well positioned to service wave resources along the length of the west coast.
<b>Quayside Suitability &amp; Storage</b>	Galway harbour is in the heart of Galway city. There are six quays available, with a total quay length of over 1km: Mulvoy Quay (209m), Breatnach Quay (315m), Dun Aengus North (165m) and South Quays (192m), Folan Quay (89m) and Quirke Quay (80m). Water depth at the Dun Aengus quays is 3.6mCD while in the rest of the harbour it is 2.9mCD. The approach channel into Galway harbour has been maintained at 3.45mCD. The port mainly handles bulk cargo. Folan Quay is exclusively used for liquid bulks.
<b>General Port Infrastructure</b>	The level of support services available is understood to be good, with stevedoring, pilotage and other vessels readily available. A number of cranes operate at the harbour, the maximum capacity of which is 40t. Storage area in the harbour is limited although space is available at the nearby Enterprise Park.
<b>Hinterland Access</b>	Road access to the port is quite good.
<b>Suitability to Facilitate Renewable Development</b>	Facilities in the harbour are limited in terms of depth, tidal restrictions and available quayside lay-off space, but the port company has been preparing a planning application for the development of a new port facility capable of accommodating the future needs of the ocean energy sector and intends to lodge a planning application with An Bord Pleanála.
<b>Previous Experience in the Offshore Sector</b>	The port has had involvement in the wave-energy sector, in the deployment of one-quarter scale prototypes for wave energy in Galway Bay.
<b>Future Strategy for developing and supporting OE</b>	Galway Harbour Company considers itself to occupy a strategic location on the west coast and has identified the wave-energy sector as an area of opportunity for future business development. It has specifically identified the R&D sector and is attracting R&D ocean-energy SMEs to locate at the Harbour Enterprise Park, while planning permission has been granted for a dry dock suitable for testing wave-energy devices.
<b>Summary</b>	Like the Shannon Estuary, Galway occupies a strategic location in respect of wave-energy resource on the west coast, but facilities to support major offshore construction are extremely limited in respect of water depth and available working area. Should plans for a new outer harbour development be realised, current constraints will be removed and Galway would be in a very strong position to support major offshore construction activities in the wave-energy sector.

**The Irish Ports Offshore Renewable Energy Services  
(IPORES) Report**



# Galway Harbour

1,000m  
OF QUAY SPACE

300t  
MOBILE CRANAGE

45 ACRE  
INDUSTRIAL PARK

## Background

Galway Harbour is located in the heart of the city and occupies a strategic location on the west coast that could service the developing offshore marine renewable energy and oil and gas sector. It has a strong maritime tradition over the centuries and in the past had active trading links with Spain and France.

## Infrastructure and Facilities

There are six quays available with a total length of over 1 km. These comprise of Mulvoy Quay (209m), Breatnach Quay (315m), Dun Aengus North (165m) and South quays (192m), Folan Quay (89m) and Quirke Quay (80m). Water depth at Dun Aengus Quays at low tide is 3.6m CD while the rest of the harbour is 2.9m CD. The approach channel to the harbour has been maintained by periodic dredging at 3.5 CD. The gated docks provides berths for commercial vessels (up to 6000 tonnes) and yachts and retains high tide water levels has a depth of over 8m. It is the home port for the national research vessels Celtic Explorer and Celtic Voyager, operated by the Marine Institute.

The main commercial activities of the port focus on bulk liquids, dry bulk and break bulk. A rapid catamaran ferry service transferring passengers to the Aran Islands will commence shortly and up to eleven cruise ships called and transferred passengers to Galway Harbour for local tours during 2012. The Volvo Ocean race finished at Galway in 2012 with much of the celebrations and commercial activities associated with the race finish taking place around the harbour waterfront. It was a resounding success for Galway and Ireland Inc.

The port infrastructure and level of support services are good with stevedoring, pilotage and other vessels readily available. A number of mobile cranes operate within the harbour with lifts of up to 300 t capacity being available. Storage space alongside the quays is limited but several acres of lay-down space are available at the nearby Galway Harbour Enterprise Park which comprises a 45 acre industrial and business park.





### Future Strategy – Offshore Renewable Energy Sector

In the existing harbour, the Galway Harbour Company has limited facilities to offer the offshore renewable energy sector. Although it has been in contact with offshore windfarm developers, there is no specific strategy in place to market the port as a centre for offshore wind and wave energy development. The company has recently produced a comprehensive development plan which allows for both the maintenance of current core port activities and enhanced growth and expansion of the business (Figure 11). A key part of the strategy for the future development of Galway Port is having an integrated multi-purpose facility that will cater for existing core activities as well as marine tourism and leisure, the marine renewable energy sector and maritime business activities. In the case of the marine renewable energy sector, it is envisaged that an expanded Galway Harbour Business Park will host some SMEs specialising in ocean energy technologies, data management, marine communications, informatics, smart environmental sensors and ocean data buoys. Port facilities will also be made available for R&D and to test smart buoys and ¼ scale wave energy converters before deployment at sea. Further details are given in the Galway Vision 2040 discussion document (2011) – Marine and Energy Sub-Group – Galway Chamber of Commerce.

### Information

Galway Harbour Company has prepared a detailed brochure on future development plans for the port "Galway Port Development Plan – it's your harbour".

A discussion document has also been produced "A vision for Galway 2040 – Marine and Energy Sub-Group" by the Galway Chambers of Commerce; see Galway 2040 Report: <http://galway2040.ie/marine>

Details of Galway Harbour, its infrastructure and facilities including future plans can be found on the website: [www.galwayharbour.com](http://www.galwayharbour.com)

### Conclusions

Galway Harbour is strategically located to take advantages of opportunities in marine renewable energy developments especially from offshore wind and wave resources off the west coast. Potential for using the harbour by the sector is limited at present due to constraints with regard to depth, quay space and available hinterland for assembly and storage of towers and turbines. The distance to current markets i.e. windfarm developments in the Irish Sea is between 250 and 400km which make using Galway Harbour as a service base for Irish Sea operations impractical.

Ambitious plans are in place to construct a new harbour which would significantly increase the commercial potential in all areas of maritime activities including marine tourism, marine renewable energy and an associated marine technology business park. Technology that would allow for commercial development and operation of floating offshore wind turbines and wave energy converters are not expected to be available for another 5 to 10 years by which time Galway Harbour may have its new facilities.

Galway Harbour Company has engaged with NUIG/GMIT/MMDA and is promoting Galway Harbour as a centre of excellence for marine related SMEs and the IT sector. The 'Harbour Campus' sets out an overarching plan to provide business and academic bases in the heart of the harbour and city centre. The signing of the long-term lease with the Marine Institute for locating SmartBay at Galway Harbour is a step towards establishing the Harbour Campus as the west of Ireland's foothold in ocean and wave energy businesses.

The Galway Harbour Company views offshore marine renewable energy and related smart ocean technologies as an important area for future business. Significant job creation potential exists in marine tourism, wave energy and marine "smart" technologies should the next harbour plans go ahead. Once the technology is available, future licensing and commercial operation of offshore floating wind and wave energy generation off the west coast of Ireland would offer enormous opportunities associated with management of operations, maintenance and servicing these installations.

**GALWAY HARBOUR HAS BEEN GIVEN A CATEGORY B RATING IN TERMS OF THIS ASSESSMENT**

**The Government Offshore Renewable Energy Development  
Plan (OREDP)**

participates, is charged with evaluating and facilitating the coordinated development of a possible offshore grid that maximises the efficient and economic use of renewable energy resources and infrastructure investments. The next call for PCI proposals under Regulation 347 of 2013 will be held by the European Commission in 2015.

**Figure 5. Unloading Turbines at Killybegs.**  
(Source: Killybegs Harbour Centre)



### Ports

The development of offshore renewable energy represents a significant opportunity for our ports, particularly those along the western seaboard. They will play a crucial role in facilitating the necessary development of both offshore renewable generation and grid infrastructure, requiring investment to handle the necessary plant, equipment and cabling, and the associated shipping during both the construction, and operation and maintenance phases of future projects. The 2013 National Ports Policy highlights that a number of Ports of National Significance have completed or commenced port master planning. In addition, as part of the emerging revised European TEN-T network, the Department of Transport, Tourism and

Sport (DTAS) is seeking to ensure that a number of port hinterland priorities are included as part of the proposed "core network". These priorities encompass both road and rail links. The development of offshore renewable energy will complement these developments, increasing tonnage, turnover, profits and employment in key ports.

In addition, in relation to the emerging ocean energy sector, the Irish Maritime Development Office *Report on Irish Ports Offshore Renewable Energy Services*, published in 2012, concluded that the three Ports of National Significance (Tier 1) had the greatest potential in servicing current and future demand in the offshore renewable energy sector. The report additionally identified the two Ports of National Significance (Tier 2), as well as Galway Harbour Company and Killybegs Fishery Harbour Centre, as having important potential in terms of servicing future demand in this sector. National Ports Policy endorses these findings.

### Job Creation and Economic Growth

*Harnessing our Ocean Wealth* highlights the fact that the Government's Action Plan for Jobs and the EU's Europe Strategy 2020 represent concerted efforts to address the current economic downturn and stimulate economic recovery, focusing principally on growth and job creation. *The Strategy for Renewable Energy: 2012-2020* has as strategic goals the delivery of green growth through the export of renewable energy, and research, development and demonstration of renewable technologies, including the preparation for market of ocean technologies. The *Report of the Research Prioritisation Steering Group* also identifies marine renewable energy as one of fourteen priority research areas for Ireland. The focus of this priority area is to position Ireland as a research, development and innovation hub for the deployment of marine renewable energy technologies and services. This would facilitate the creation of an early stage industry and research cluster and open up the possibility of becoming a significant exporter of electricity. The development and testing of ICT applications in a marine environment (based on the Smart Ocean concept) could be supported to enable this priority area.

**Witness Statement of Raymond Burke Consulting**

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