



Port of Waterford



ECONOMIC IMPACT STUDY OF THE BELVIEW INDUSTRIAL ZONE

13 September 2018
Raymond Burke Consulting

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Executive Summary

Raymond Burke Consulting was commissioned by the Port of Waterford (PoW) to establish the economic impact of the Belview Industrial Zone incorporating the Port Company and other principal businesses in the Industrial Zone on the area and region.

The Belview Industrial Zone comprises 265 hectares of zoned land, including a strategic IDA site of 53 hectares, the Marine Point Business Park and the Port Company. Other major companies located within the Zone are Mima Packaging Systems, Smartply, Store-All, Glanbia, Arachas and Glanway.

Belview Port is strategically placed within two hours of Dublin, is a natural hub for the integration of shipping, road and rail freight services and is connected via an exceptional road and rail network. It offers those involved in the shipment of goods an efficient and cost-effective service with savings in both time and fuel.

Ports are central to our national competitiveness and are engines of national economic growth; they facilitate foreign direct investment, act as gateways for tourism and enable a whole range of other industries to function, such as fishing, off-shore wind, gas and oil energy servicing, Ports form a vital part of the supply chain for our industries which are heavily reliant on the import/export of bulk raw materials and finished goods.

Port of Waterford currently handles **over 1.6 million tonnes of freight** annually including some 1.2 million tonnes of bulk products (including agri-related and project cargo) together with another 91,000 tonnes of break bulk. The Port also operates in the Container/Lo-Lo sector handling **some 42,000 TEU or 21,000 units** annually.

It is estimated that the **annual value of goods** through the Port is of the order of **€1.7 billion** with the container throughput being the major contributor.

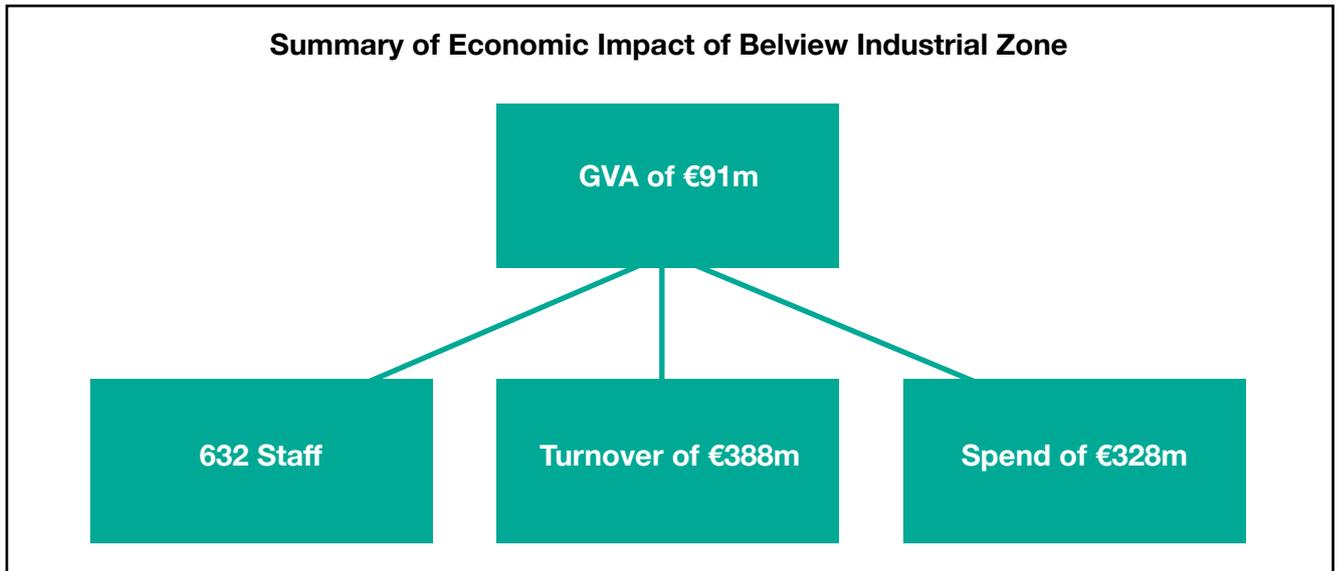
The Port of Waterford is the third most popular destination in the Republic for cruise visits.

The key findings from this Study are

- Across the Belview Industrial Zone and including the Port of Waterford, our analysis established the following Performance Indicators for 2017; the values in brackets show the economy-wide multiplier effects:
 - o A turnover of €388 million (€943 million)
 - o Employment of 632 (980)
 - o Paid €34 million in salaries and wages (€60 million)
 - o Spent €328 million on goods and services (€796 million)
 - o Generated a Gross Value Add of €91 million (€190 million)
- The spend of companies in the Zone on goods and services and employee wages have a major impact on the region's economy
- A survey of the principal companies, including the Port Company, in the Zone on employee addresses, covering 588 staff (over 93 per cent of total), found that some 54 per cent of employees live in Waterford (317), 25 per cent in Kilkenny (147) and 16 per cent in Wexford (94). The balance come from Tipperary (18), Laois (5) and the remainder from other counties including Limerick, Kildare and Cork.
- The Port of Waterford itself plays a key catalytic role in facilitating and supporting economic activity in the Estate and the south-east from an industrial, services and a tourism perspective
- Indeed, its location is seen as very strategic being close to the motorway system and therefore attractive for many of its customers
- The Port has also a strong social impact arising from its corporate social responsibilities and activities
- Over the last ten years, the Port Company
 - o had a turnover of some €76 million and handled 15 million tonnes of freight
 - o spent €33 million on the purchase of goods and services
 - o expended nearly €7 million on CAPEX including the completion of the 190 metre Bulk Quay
 - o paid almost €18 million in Wages and Salaries
 - o generated a Gross Value Add of almost €36 million
- Freight vessels using the Port of Waterford spend varying amounts locally when in port – long journeys can result in significant expenditure particularly where local repairs, crew changes, waste management and purchases of provisions are concerned; it would not be inconceivable to spend up to €100,000 particularly when bunkering is taken into account

- The Port of Waterford is a major cruise destination and the larger cruise ships anchor at Dunmore East; others berth in Belview and at the Frank Cassin Wharf in the heart of Waterford City
- The spend by Port of Waterford cruise passengers and crew in 2017 is estimated to have been some €341,000 excluding any local expenditure by the cruise companies

This Report has demonstrated the economic importance of the Belview Industrial Zone reflecting, in particular, the value to the local economy of the employment supported, the spend on goods and services, the impact of cruise tourism and the spend of freight vessels while in port and the Gross Value Added which is a significant contribution to Ireland's economic success.





1. Introduction

The Belview Industrial Zone incorporates a strategic IDA site, the Marine Point office building and the Port Company, and is an important regional employment hub. The zone includes companies such as Mima Packaging Systems, Smartply, Store-All, Glanbia (Belview), Arachas and Glanway as well as port-services companies including South East Port Services, Stokestown Port Services, Celtic Shipping Agencies, ECS, Waterford Shipping Services, and Leaside Agencies. Marine Point provides office accommodation for a range of financial services companies including Pro-Adjust, Provident Financial, Blackstar and Moore Wealth Management.

The development and expansion of the Zone have been very much facilitated by the existence and success of the Port of Waterford, a Port of National Significance (Tier 2) Port as defined by National Ports' policy.

As an island and open economy, our ports are fundamental to our everyday lives and to our success globally as an outward facing trading nation. Ports facilitate foreign direct investment and are gateways for tourism. Ports also enable a whole range of other industries to function, such as fishing, off-shore wind, gas and oil energy servicing, and the activities of industries which are heavily reliant on the import/export of bulk raw materials.

Ports, therefore, are central to our national competitiveness and are engines of both national and regional economy growth in their own right.

The purpose of this Study was to establish the economic impact of the Belview Industrial Zone by assessing three key channels through which economic activity is generated by the principal companies. These channels generate direct, indirect and induced economic effects:

- **Direct:** The direct economic impacts arise from the employment and expenditures of the companies located in the Industrial Zone
- **Indirect:** Indirect economic impacts are the result of the purchase of goods and services from those who receive expenditure from the Port of Waterford and other Industrial Zone companies
- **Induced:** Induced economic impacts are the employment and activity supported by those directly or indirectly employed in the Belview Industrial Zone spending their wages on goods and services in the wider Irish economy. This helps to support jobs in retail and leisure outlets, companies producing consumer goods and in a range of service industries

The 'spill-over' economic impact of the cruise sector that visits the Port of Waterford was also examined.

The multipliers used have been derived from a number of sources and from discussions with the CSO. Given the nature of these Multipliers, all results should be considered approximate.

The source data was drawn from the Accounts of the Port of Waterford and from a confidential survey carried out of the principal companies in the Industrial Zone; the information provided by them was consolidated to retain commercial confidentiality.

A very high response rate of 95 per cent was achieved from the questionnaire request.

The research sought information on the following metrics in respect of 2017:

- Turnover
- Number of Employees
- Employee costs
- Expenditure on goods and services

The estimated value-added (GVA) that the companies in the Zone directly contribute to GDP was determined from the confidential survey results and the Accounts of the Port of Waterford.

A follow-up survey was carried out on the counties from which employees travelled to work.

Following this Introduction, the balance of this Impact Study is concerned with

- The economic significance of activities at the Belview Industrial Zone
- The economic performance of the Port of Waterford itself
- Profile of the Port of Waterford
- The importance of the cruise sector
- The policy context within which the Belview Industrial Zone operates

There are three Appendices:

- Appendix 1: Port of Waterford Economic Impact Study Confidential Questionnaire
- Appendix 2: The Regional Economy
- Appendix 3: National Freight Trends

Raymond Burke Consulting wishes to acknowledge the extensive support he received from the Chief Executive, Mr Frank Ronan, of the Port of Waterford and his management colleagues Messrs Brian Moore, Tony McDonnell and Derek Madigan, and the many other various stakeholders who contributed to this Study.

To protect participant commercial confidentiality, all data has been consolidated and no individual company information has been provided to any third party.

2. *The Economic Impact of the Belview Industrial Zone*

This chapter considers the economic performance of the Belview Industrial Zone and comments and expands on certain aspects of them.

Following a brief overview of the approach and methodology, we initially present the economic impact of the Industrial Zone overall and then consider the impacts of the Port of Waterford and of the other companies within the Zone that make up the overall impact.

The key metrics reported on are:

- Gross Value Added
- Turnover
- Employment Numbers (FTEs)
- Staff Costs
- Spend on Goods and Services

2.1 Analytical Background

The economic impact was determined from confidential discussions with and questionnaire returns from the Zone's principal tenants and from a detailed analysis of the Port of Waterford's Annual Accounts. Estimates were prepared for those companies not involved in the survey.

In addition to the Port of Waterford, the Zone comprises a range of maritime and other logistics activities facilitated indirectly through the existence and operation of the Port. These include primarily:

- Sea transport and logistics;
- Cargo handling and stevedoring;
- Freight transport;
- Storage and warehousing.

The Industrial Zone also contains a number of companies that are not-marine-related, including financial and related services, whose economic data has also been collected.

Appendix 1 reproduces the confidential questionnaire used during the consultation process. All third party responses received were consolidated on commercial confidentiality grounds.

The direct impact of the Belview Industrial Zone on the Irish economy is comprised of the following elements:

- The number of people employed directly to undertake the activities of the various companies located in the Industrial Zone
- The expenditures of those companies on wages and salaries
- The expenditures of the companies on goods and services

The indirect and induced impacts arising from the presence and operation of the companies were estimated using an input-output framework, which takes account of inter-industry linkages to provide an overall assessment of the economic impact of a particular activity on the Irish the economy as a whole. This approaches entails the application to the estimated direct expenditure impacts described above of 'multipliers' derived from Input-Output tables published by the Central Statistics Office.

Given the nature of multipliers and the range of assumptions underlying them, all calculations must be considered as approximate.

The focus of the analysis is based on measuring impact adopting the following approach:

- **Gross Value Added (GVA)** – This is a measure equivalent conceptually to Gross Domestic Product (GDP) at national economic level and measures the difference between the value of a firm's output or sales turnover and its expenditures on production inputs. In respect of the Port of Waterford it is composed of EBITDA and Gross Wages. For third parties, it has been derived from their questionnaire returns
- **Output** – the Turnover of the Port of Waterford as well as the other companies in the Belview Industrial Zone
- **Employment** – the number of people employed by businesses located in the Zone
- **Employment Income / Wages** – the wages and salaries earned by people employed by the various businesses in the Zone
- **Direct Impacts** – economic impacts that are directly generated from the employment and expenditures employed by businesses in the Zone
- **Multiplier Impacts** – economic impacts that are generated as a result of the purchase of goods and services by

suppliers who receive expenditure from the Port of Waterford and businesses involved in activity that relates to the Port of Waterford, as well as thither e economic impacts that result from additional consumer spending on the basis of consumer expenditure generated from the above mentioned economic impacts

No overall consideration was taken of the economic impacts of any construction activity or tax returns to the Exchequer but are likely to be significant given the nature and size of companies participating in this assessment.

2.2 Consolidated Economic Impact

Table 2.1 provides the overall economic impact of the Belview Industrial Zone comprising the Port of Waterford and those companies that responded to the questionnaire.

It is clear that the Belview Industrial Zone is a regional powerhouse with a turnover close to €400 million, an expenditure on goods and services of €328 million, much locally, and employing some 632.

Coupled with a Port of Waterford throughput value of €1.7 billion, the Industrial Zone is a major generator of economic value and is critical to the region's development.

Indicator	Direct Impact	Multiplier Impact	Overall Impact
	2017		
Estimated GVA €m	90.7	99.7	190.4
Total Turnover €m	387.8	554.6	942.4
Expenditure on Goods and Services €m	327.5	468.3	795.8
Number of Employees (FTEs)	632	348	980
Staff Costs €m	33.6	26.2	59.8

Table 2.1: Port of Waterford and Industrial Zone Economic Impacts

2.3 Port of Waterford

Tables 2.2 (a) and 2.2 (b) summarises the direct and overall economic impacts of the Port of Waterford, for 2017 and the ten years 2008 – 2017, respectively, under the key metrics.

Indicator	Direct Impact	Multiplier Impact	Overall Impact
	2017		
Port of Waterford			
Estimated GVA €m	4.0	4.4	8.3
Total Turnover €m	7.8	11.2	19.0
Expenditure on Goods and Services €m	3.5	4.9	8.4
Number of Employees (FTEs)	32	18	50
Staff Costs €m	1.6	1.2	2.8

Table 2.2 (a): Economic Impacts - Port of Waterford (2017)

Indicator	Direct Impact	Multiplier Impact	Overall Impact
	2008 - 2017		
Port of Waterford			
Estimated GVA €m	35.8	39.4	75.2
Total Turnover €m	75.7	108.3	184.0
Expenditure on Goods and Services €m	33.0	47.1	80.1
Number of Employees (FTEs)	355	196	551
Staff Costs €m	17.7	13.8	31.5

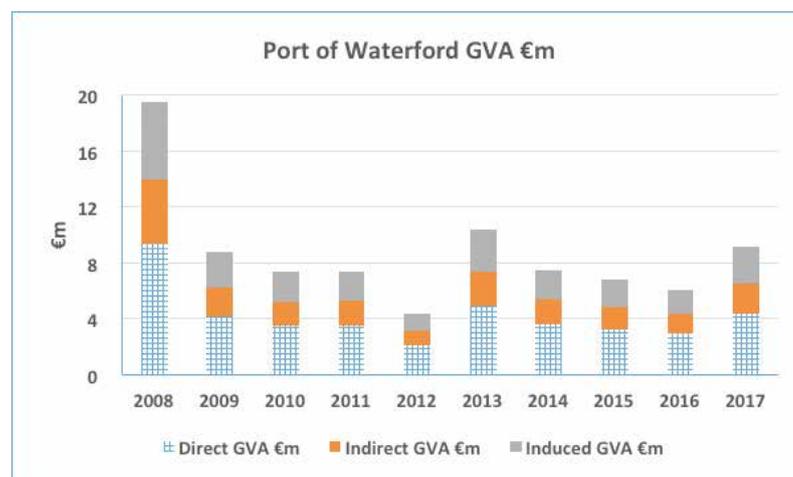
Table 2.2 (b): Economic Impacts - Port of Waterford (2008 – 2017)

2.3.1 Gross Value Added

From a Port of Waterford perspective, Gross Value Added is the primary metric and Figure 2.1 shows the trends over the last ten years.

GVA in 2017 is estimated at almost €4 million and almost €36 million over the last ten years.

When the multiplier is taken into account, the overall GVA increases to €8.3 million and €75.2 million respectively.



2.3.2 Turnover/Output

When the multiplier is taken into account, Turnover in 2017 was €19 million and €184 million over the last ten years.

2.3.3 Expenditure on Goods and Services

The Port of Waterford spent some €3.5 million in 2017 on Goods and Services and almost €76 million in the last ten years.

The multiplier effect increases this spend to almost €33 million and over €80 million for the respective time periods.

2.3.4 Employment and Staff Costs

The Port of Waterford currently employs 36 staff (32 FTEs) and gross staff costs, excluding employer pension and state costs were €1.56 million. Over the last ten years, the Company staff costs were some €17.7 million.

2.4 Belview Port Zone (Excluding the Port of Waterford)

Based on data from 19 companies, Table 2.3 summarises their direct and overall economic impacts for 2017 under the five key metrics.

While the GVA values reflect the size, nature and maturity of the companies located in the Zone, the table shows the significant economic impact that these companies have on the region in terms of employment, employee spend and expenditure on goods and services.

Indicator	Direct Impact	Multiplier Impact	Overall Impact
	2008 - 2017		
Port Ops and Services and Belview Zone			
Estimated GVA €m	86.7	95.4	182.1
Turnover €m	380.0	543.4	923.4
Expenditure on Goods and Services €m	324.0	463.3	787.3
Staff Numbers (FTEs)	600	330	930
Staff Costs €m	32.0	25.0	57.0

Table 2.3: Industrial Zone Economic Impacts

2.5 Other Economic Impacts

The Port of Waterford also generates other economic wealth the value of which has not been quantified overall.

2.5.1 Vessel Spend

In addition to the spend of cruise vessels when berthed at Waterford estimated at up to €10,000 per visit (see section 5.3 later), freight vessels, while at Belview, can also make substantial local purchases that support local industry and employment.

The extent of the spend is varied and is very much dependent on the length of sea travel to and from Ireland, and could include

- The cost of crew change – travel and accommodation
- Local repairs
- Purchases of fuel
- Provisions, fresh water etc
- Waste removal and treatment
- Medical care
- Crew spend on taxis, meals, entertainment etc while berthed at Belview

Anecdotal comments suggest that such expenditure could reach €100,000 for certain visits.

2.5.2 Haulage

While some of the stevedores employ their own hauliers or contracts for their provision, there are many sole hauliers contracted by importers and exporters to transport their freight to and from the Port.

The success of the Port supports their employment which in turn generates economic activity, spend and employment.

2.6 Employee County Addresses

Responses received from a follow-up survey of the principal companies in the Zone on employee addresses provided details on some 552 staff (over 92 per cent of total) and found that some 53 per cent of employees live in Waterford (317), 25 per cent in Kilkenny (147) and 16 per cent in Wexford (94). The balance came from Tipperary (18), Laois (5) and the remainder from other counties including Limerick, Kildare and Cork.

3. *The Economic Performance of the Port of Waterford*

This chapter considers in more detail the economic performance of the Port of Waterford and the economic impact it has on the region.

Appendix 2 profiles the regional economy of the South East Region where the Port is located.

3.1 Turnover and EBITDA

Over the last ten years, the Port of Waterford had a Turnover of €75.72 million and an EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) after Exceptional Items of €18.1 million. Exceptional Items were concerned with Bell Lines Redundancy Costs etc.

Figure 3.1 provides details over the ten years.

Projections for 2018 show a further improved performance.

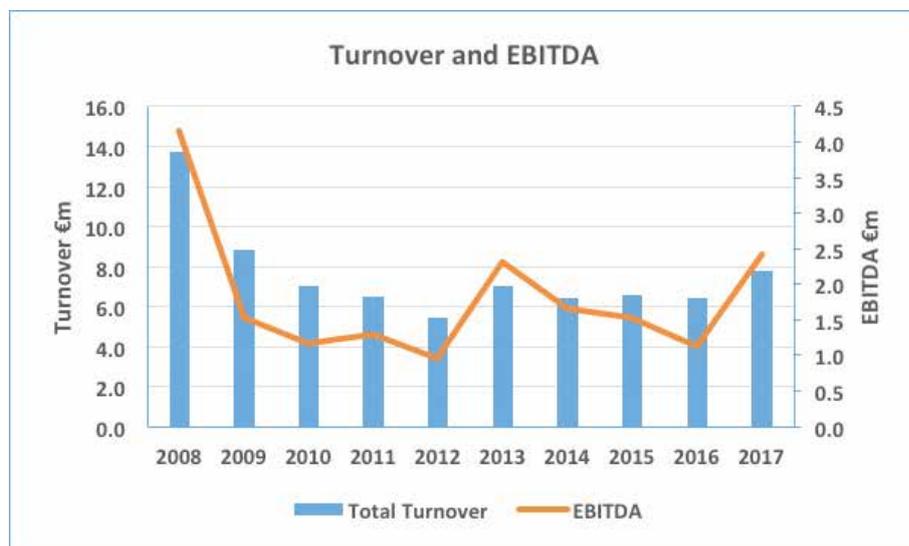


Figure 3.1: Turnover and EBITDA for the Port of Waterford 2008 - 2017

3.2 Expenditure on Goods and Services

Over the last ten years, the Port of Waterford spent almost €33 million on Goods and Services, and much locally thus benefiting the Waterford and Kilkenny economies.

In 2017, almost €3.5 million was spent with nearly a third of the spend on dredging services.

Fig 3.2 shows the trend in Expenditure over the last ten years.

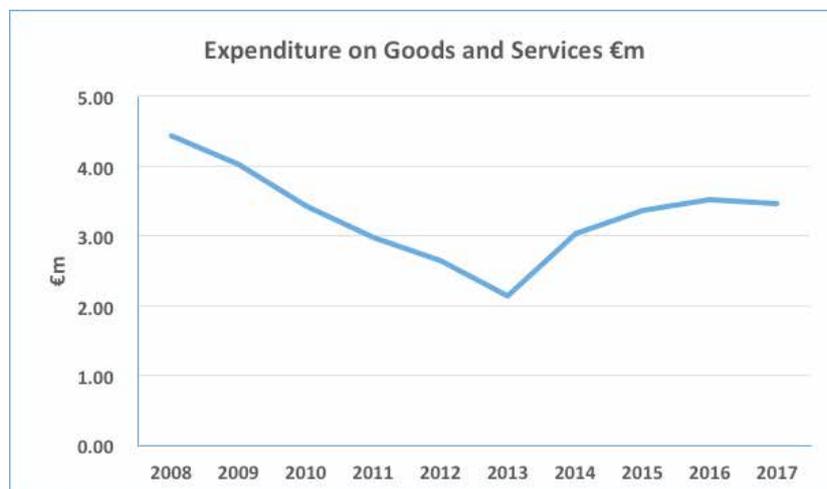


Figure 3.2: Expenditure on Goods and Services 2008 - 2017

3.3 Employment

Currently, the Company employs some 36 staff (32 FTEs) and their wage in 2017 were some €1.56 million being an average of €48,600 per employee. This compares favourably with the national average of €38,200 reflecting the value of the work undertaken.

Total wages, including pension and social welfare costs, amounted to almost €22 million over the last ten years.

3.4 Employee Location

An examination of employee addresses shows that over half of staff live within 20 kilometres of the Port with most in Waterford City and County thus benefiting the broader Belview area from their local spend.

Distance from Belview (km)	Number
0-10	3
10-20	16
20-30	12
30+	5
All	36

Table 3.1: Employee Distance from Belview

Location	Number
Waterford City	12
Co Waterford	13
Co Kilkenny	5
Co Wexford	5
Co Tipperary	1
All	36

Table 3.2: Employee Addresses

3.5 Value of Freight

Approximately €1.7 billion of trade was handled at the Port of Waterford in 2017.

The value was derived from the 2017 CSO Trade Statistics using the SITC codes of the various products handled.

In respect of the container traffic, it was based on discussions held with shippers, agents and importers. Much of the loaded unitised cargo exported is high-value goods including pharma products, supplements and food ingredients.

3.6 Corporate Social Responsibility

The Board is conscious of the social responsibilities of the Port and the business actively engages with our neighbours and fellow users of the harbour (whether for pleasure or business) in a positive and transparent manner. We endeavour to support the communities in which we operate in practical ways and we fully appreciate the support we in turn receive from those communities.

The company is committed to supporting, where appropriate, regional and national organizations. During 2017, the company supported the following community projects and organizations:-

- RNLI
- Sail Training Ireland
- Passage Hurling Club
- Waterford Harbour Sailing Club
- Touching Hearts
- Club Deise
- Needlecraft
- Passage East Development Association
- Institute of Chartered Shipbrokers
- SeaFest
- Southend United Sponsorship
- Children's Group Link Sponsorship
- Little Sisters of the Poor

3.7 Views on the Port of Waterford

Respondents were also asked five questions and to score their responses on a scale of 1 to 5 where 1 was *Not important* and 5 was *Very Important*:

1. In your view, how Important is the Port of Waterford to boosting the Economic Performance of the South East Region
2. How Important is the Port of Waterford in facilitating Importing and Exporting in the South East Region
3. How Important is the Port of Waterford in reducing the Environmental Impacts of Transporting Goods to/from the South East Region
4. How Important is the Port of Waterford in facilitating Tourism in the South East Region
5. How Important is the Port of Waterford in attracting Foreign Direct Investment in the South East Region

By and far, the responses to Questions 1 and 2 were either *Important* or *Very Important*.

The responses to Question 3 were mostly *Important*.

Many respondents recognised the role of the Port of Waterford in facilitating tourism particularly its role in cruise tourism.

In relation to the role and importance of the Port in attracting Foreign Direct Investment. Its location, closeness to the motorway network and the rail link were considered valuable. A number of companies indicated that the presence of the port was a major factor for setting up in the Zone.

4. The Port of Waterford

This chapter provides a profile of the Port of Waterford presenting information on its performance over the last number of years.

4.1 Profile

4.1.1 Summary

The Port of Waterford is a Port of National Significance (Tier 2) Port as defined by National Ports policy. It is also a Comprehensive Port of the EU Ten-T Network.

Operating from the Belview Terminal, it handles Bulk, Project and Lift-On Lift-Off cargoes. In 2017, it handled some 1.6 million tonnes of freight and 42,400 TEU of LoLo freight.

The Port handles very substantial vessels with ships drafts of up to 9.0 metres and lengths of up to 190 metres. Belview has good inland connectivity with direct access to the M9 via the N29 and N25, and an inactive rail connection into the Port from the national rail network. Up to quite recently, the rail service carried medical equipment, concentrate and other products with train timetables to meet DFDS sailing schedules from Port of Waterford (Belview Terminal) to Rotterdam, which allows for onward delivery into Europe.



Figure 4.1: Rail Freight into Belview

The Port currently handles over 1.2 million tonnes of bulk products (mainly agri-related) together with another 91,000 tonnes of break bulk (including timber and steel). The Port also operates in the Container/Lo-Lo sector handling some 42,000 TEU or 21,000 units annually.

4.1.2 Stevedoring

The Port of Waterford stevedores the unitised traffic. Two long reach gantry cranes store containers directly under the cranes, hence removing the need for secondary handling and minimising damage and cost. The terminal typically handles ships on arrival and effects quick turnarounds.

Bulk handling is operated at Belview through licensed stevedores, Southeast Port Services and Suir Shipping. Both stevedores employ modern efficient equipment and have significant storage available close to the Port.

Other project cargoes are handled with ease by the various licenced stevedores. There is substantial laydown and marshalling area available and both stevedores have significant storage capacity nearby.

4.1.3 Storage Facilities

There are several covered and open storage options, depending on cargo attributes.

Southeast Port Services, Suir Shipping and the Port of Waterford each offer storage facilities for Bulk freight.

Trans-Stock offers specialised ambient and cold storage facilities while Store-All Logistics provides palletised storage.

4.1.4 Performance

A brief summary of its financial and trade performance is as follows.

Trade	Unit	2014	2015	2016	2017
Turnover (Consolidated)	€m	6.30	6.57	6.27	7.81
Profit before Taxation	€m	1.08	0.54	0.77	0.54
Lo-Lo	TEU	36,173	40,224	43,240	42,408
Liquid Bulk	Tonnes	12,000	10,000	0	0
Dry Bulk and General	Tonnes	997,000	1,099,000	970,000	1,238,000
Break Bulk	Tonnes	98,000	120,000	76,000	91,000
Total Cargo (Nett)	Tonnes	1,373,000	1,497,000	1,325,000	1,618,000
Vessel Arrivals	Units	420	437	376	448
Vessel Gross Tonnage	KT	2,090	2,092	2,042	2,431

Table 4.1: Summary of Performance –Port of Waterford: 2014 –2017

4.1.5 Planning for the Future – Master Plan

The Company is in the process of preparing a long term masterplan to guide future development at the port with the infrastructure plan forming one of the main pillars of the masterplan that will evolve through study and evaluation of market demand, facilities, capacity needs and river management requirements.

Port management continues to actively pursue a range of other opportunities with the intention of encouraging more activities into the Port.

4.2 Freight Handled

Port of Waterford freight can be classified into a number of categories:

- Unitised (Lo-Lo)
- Project Cargo
- Dry Bulk
- Break Bulk

The Port of Waterford no longer handles any Liquid Bulk traffic nor has ever handled Roll-On Roll-Off freight.



Figure 4.2: Project Cargo being Handled at Belview

Unitised business is considered in section 5.3.

Table 4.2 provides details of trade by mode for the last five years while Figure 4.3 (a) present an analysis of trade by mode for 2006 - 2017. It can be seen that Bulk is the major mode of freight through the Port.

Figure 4.3 (b) shows direction of traffic while Figure 4.3 (c) provides an analysis of Bulks traffic.

	2013	2014	2015	2016	2017
Lift-on/lift-off	286	267	268	279	291
Liquid Bulk	0	12	10	..	0
Dry Bulk	1,010	997	1,099	970	1,238
Break Bulk	52	98	120	76	91
TOTAL	1,348	1,374	1,497	1,325	1,620

Table 4.2: Tonnage by Mode –Port of Waterford: 2013 –2017

Appendix 3, National Freight Trends, places the freight throughput of the Port of Waterford in context with other Irish ports for certain years from 2000 to 2017.

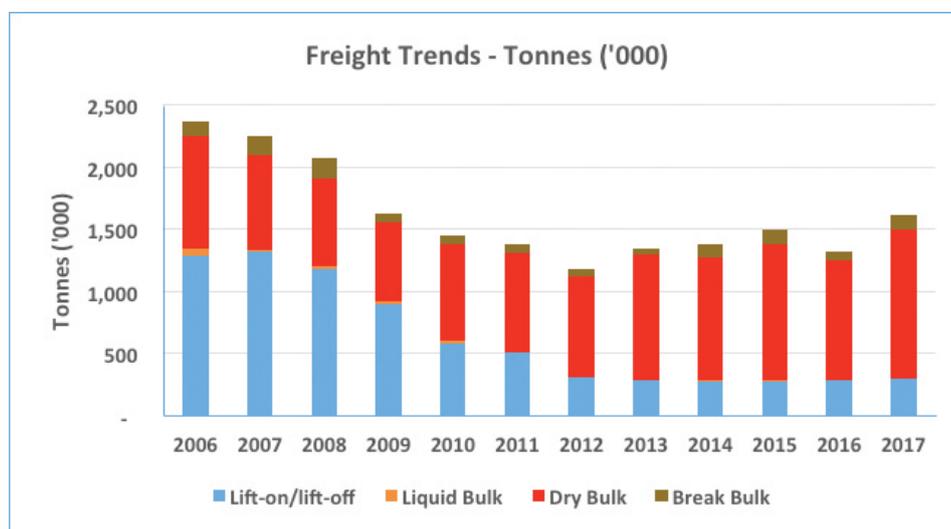


Figure 4.3 (a): Trends in Freight Traffic 2006 –2017

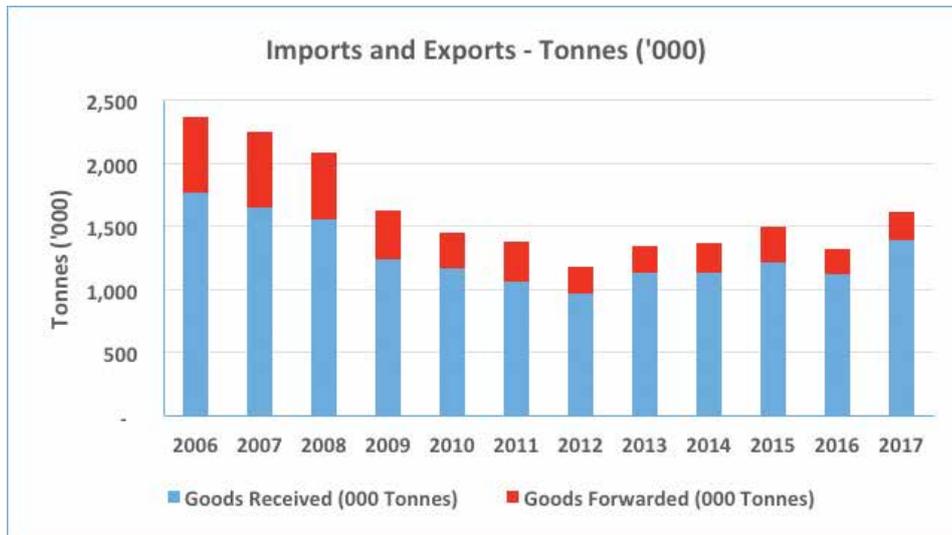


Figure 4.3 (b): Direction of Traffic 2006 –2017

It can be seen that goods traffic is primarily inward.

At a more granular level, the following figure presents a breakdown by Bulk for the last five years.

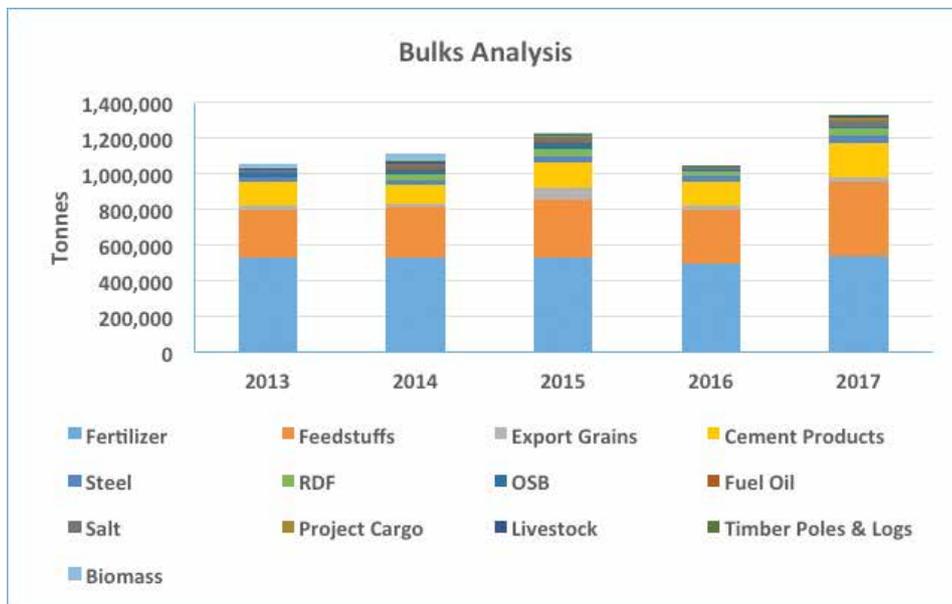


Figure 4.3 (c): Trends in Bulks Traffic 2011 –2017

It can be seen that agri-products account for nearly 75 per cent of Bulks throughput.

4.3 Container Traffic

The Port of Waterford is one of three ports in the Republic currently catering for LoLo traffic.

There is currently a twice weekly service jointly operated by DFDS and Samskip between Waterford and Rotterdam. Both the Samskip Endeavour and the Samskip Express operate on the route. Each has a capacity of 803 TEU.

Table 4.3 provides details of volumes in TEU terms for the last five years while Figures 4.4 (a) and (b) show trends since 2011 both at a national and Port of Waterford levels respectively. What is striking is the dominance of Dublin Port in this sector.

Figure 4.5 is a container vessel about to berth.

It can be seen that unitised trade is balanced between inwards and outwards traffic.

Some of the Port's major container customers include:

- Cartamundi
- Glanbia
- GSK
- Ball Packaging
- ITW Mima
- Baxter Labs
- Smartply
- Ornuia

Bell Lines was a major operator and shipping company at Waterford Port but collapsed in 1997 and container stevedoring is now provided by the Port of Waterford.

	2013	2014	2015	2016	2017
Dublin	515,777	569,219	630,425	663,729	696,774
Cork	170,408	191,229	205,829	209,861	217,774
Waterford	39,834	36,173	40,224	43,240	42,377
Total	726,019	796,621	876,478	916,830	956,904

Source: CSO

Table 4.3: Summary of National Container Trade (TEU): 2013 –2017

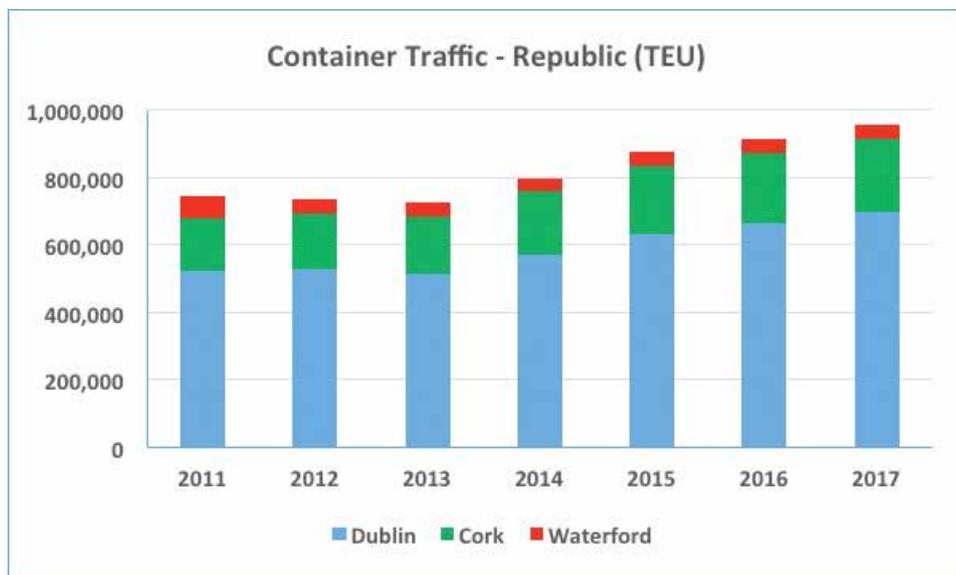


Figure 4.4 (a): Trends in National Container Traffic 2011 –2017

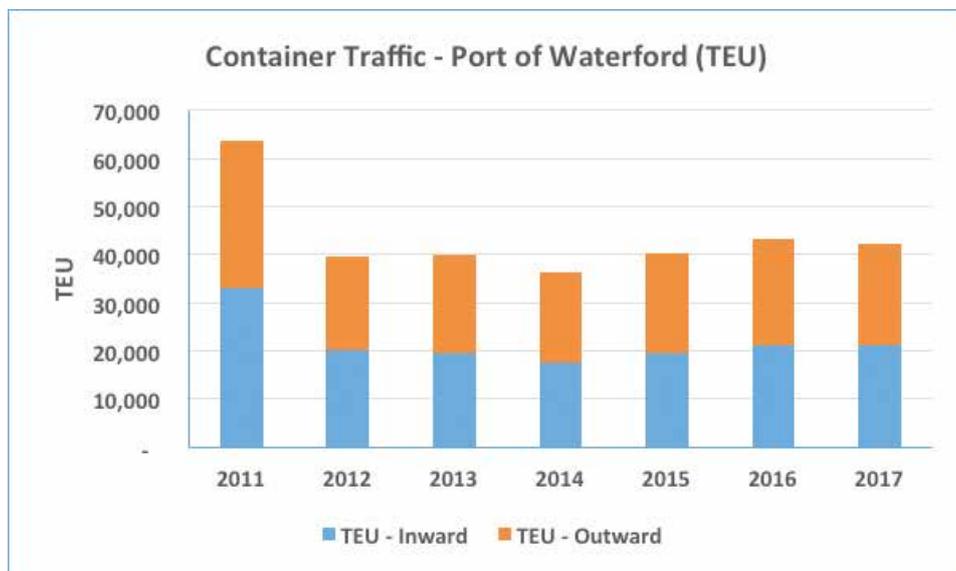


Figure 4.4 (b): Trends in Port of Waterford Container Traffic 2011 –2017



Figure 4.5: Container Vessel about to Berth at Belview

4.4 Region of Trade

The Origins and Destinations of freight are worldwide with project cargo, for instance, coming from as far away as China, Brazil, Poland and Turkey, and agri products from the United States. Imports can then be destined for anywhere on the island of Ireland.

Exports, equally, originate throughout Ireland with final unitised freight destinations focussed on Europe from a Rotterdam base.

Figure 4.6 provides an analysis of Region of Trade for the Port's overall freight business.

As can be seen, three quarters of the Port's business is with mainland Europe while only two per cent of the Port's business is with the UK which should minimise the impacts of BREXIT.

The Port's south-east location makes it's a good option to facilitate businesses wishing to bypass the UK and provided direct connections with the continent.

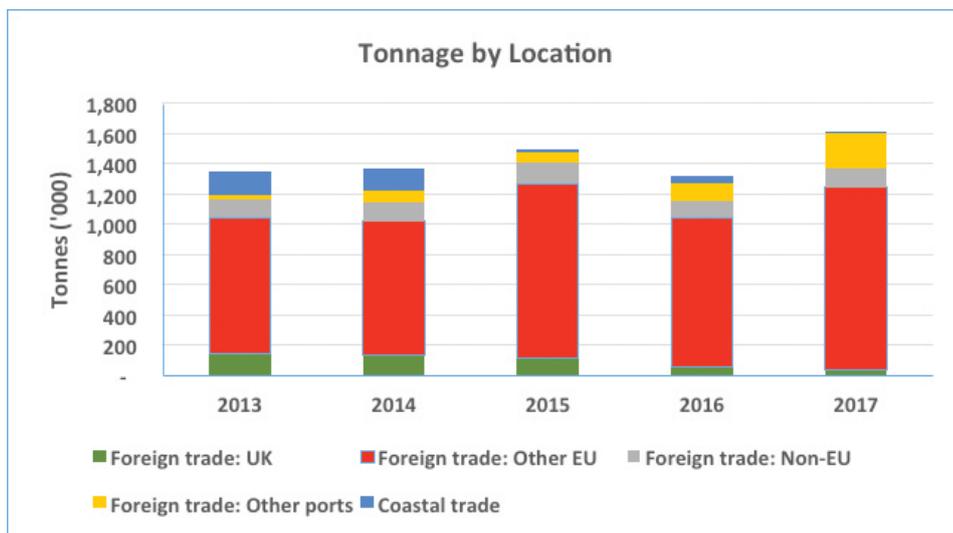


Figure 4.6: Port of Waterford Tonnage by Location

4.5 Vessels Operating Out of Waterford Port

An analysis of vessels operating out of the Port of Waterford is summarised in the following two diagrams.

Figure 4.7 details the number of vessel arrivals between 2006 and 2017 as well as the average tonnage of the vessels.

As can be seen, the average Gross Tonnage is of the order of 5,000 tonnes.

Figure 4.8 provides the composition of the vessels by type over the same timeframe.

General vessels are the most common type.

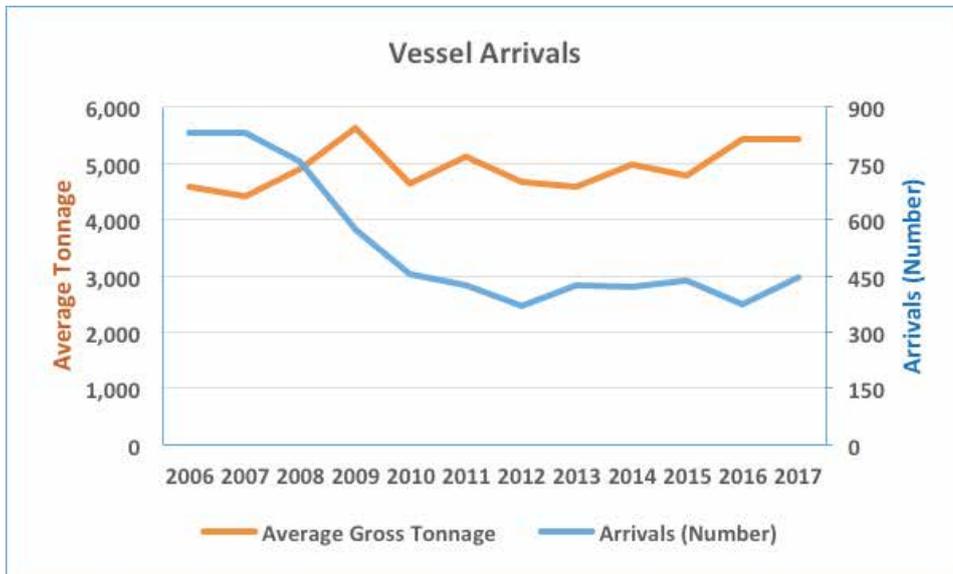


Figure 4.7: Vessel Arrivals and Average Gross Tonnage 2006 –2017

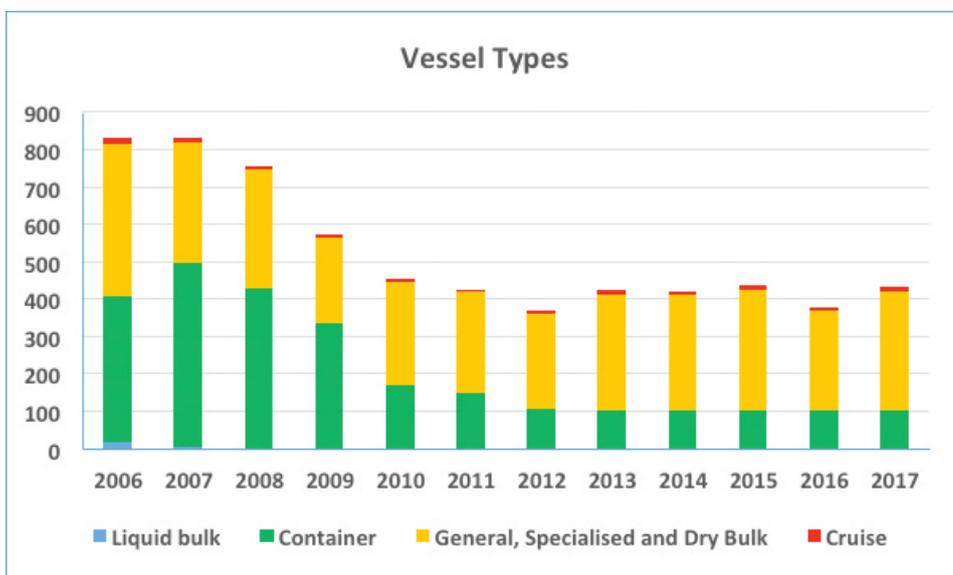


Figure 4.8: Details of Vessel Numbers by Cargo Type 2006 –2017

5. The Cruise Sector

5.1 International Growth

According to the Cruise Line International Association, the ocean cruise industry continues to grow from some 17.8 million passengers in 2009 to a projected 27.2 million in 2018.

Ireland, also, has experienced significant growth in recent years as shown in Figure 5.1.

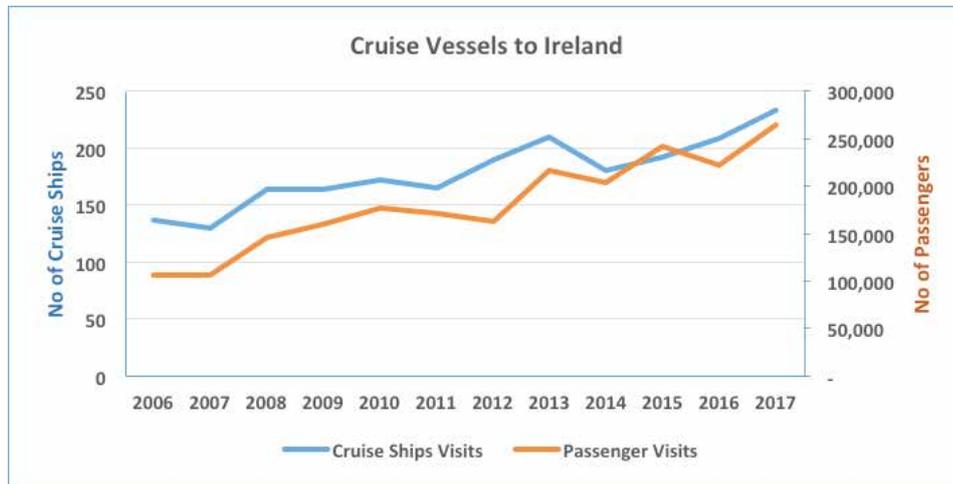


Figure 5.1: The Irish Cruise Sector 2006 - 2017

The cruise industry contributed a record €47.9 billion to the European economy in 2017. This represents an increase of 16.9 per cent against the previous figure released in 2015. The cruise industry continues to make significant contributions to Europe's economy thanks to more Europeans choosing a cruise holiday, more cruise passengers sailing in Europe, and more cruise ships being built in European shipyards.

Last year, the direct expenditures generated by the cruise industry reached €19.7 billion, up from €16.9 billion in 2015. In terms of employment, between 2015 and 2017 the cruise industry generated more than 43,000 new jobs across Europe, with 403,600 now employed in cruise and cruise-related businesses. Wages and other benefits for European workers reached €12.8 billion.

As the global cruise industry continues to grow and expand into new destinations, Europe remains a vibrant hub for cruising. This trend is supported by three key factors:

- Europe represents the world's second biggest source passenger market – almost 7 million Europeans went on a cruise holiday in 2017, 7.8 per cent more than in 2015
- Europe remains the world's second most popular cruise destination, second only to the Caribbean. Some 6.5 million passengers embarked on their cruises from European ports in 2017, 6.1 per cent more than in 2015.
- European shipyards are the heart of the world's cruise ship building industry. They continue to build the world's most innovative and largest ships, with spending on new builds and maintenance increasing for a sixth year. In 2017, cruise lines spent €5.6 billion in European shipyards, representing a 22.4 per cent increase compared to 2015. 66 cruise ships are currently on the order books of European shipyards for delivery by 2021, with a total value of more than €29.4 billion.

5.2 The Port of Waterford Experience

Amongst the Irish ports, the Port of Waterford is an important cruise destination, the third largest in the Republic, and Table 5.1 and figure 5.2 show recent trends.

Table 5.2 is a breakdown of passengers and crew for 2017.

The larger cruise ships anchor at Dunmore East, entrance to Waterford Estuary and passengers are carried by tender to shore to begin their exploration of the many attractions that the region offers. Cruise ships also berth in Belview Port and at the Frank Cassin Wharf in the heart of Waterford City.

	2013	2014	2015	2016	2017
Cruise Ships Visits	19	16	18	14	12
Passenger Visits	10,833	10,197	15,531	7,498	4,710

Table 5.1: Cruise Visits to the Port of Waterford

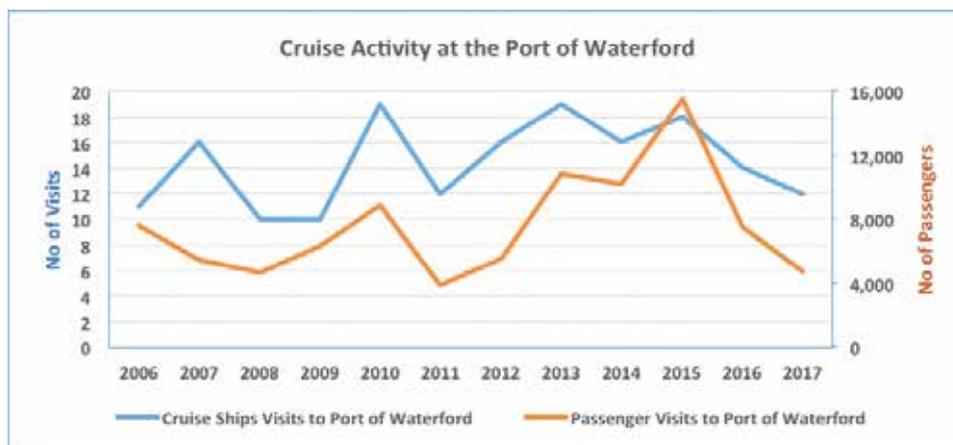


Figure 5.2: Cruise Activity at the Port of Waterford 2006 - 2017

Name of Vessel	Date of Arrival	Number of Passengers	Number of Crew
Serenissima	16/05/2017	68	60
Artania	03/06/2017	1,095	505
Hebridean Sky	05/06/2017	84	74
Silver Explorer	11/06/2017	118	101
Star Pride	11/06/2017	202	159
Prisendam	13/06/2017	770	471
Wind Surf	23/06/2017	290	202
Pacific Princess	14/08/2017	666	378
Hebridean Sky	28/08/2017	94	79
Saga Pearl II	12/09/2017	239	270
Silver Muse	14/09/2017	505	399
Nautica	19/09/2017	579	282
TOTAL		4,710	2,980

Table 5.3: Cruise Activity at the Port of Waterford 2017

In 2018, some 21 cruise calls to Waterford are anticipated, and the Celebrity Eclipse and the Seabourn Quest, shown below, are just two that visited.

Visitors came ashore to regional attractions in Kilkenny and Waterford.



Figure 5.3: Celebrity Eclipse



Figure 5.4: Seabourn Quest

5.3 Economic Impact

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 five principal sources:

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

Tourists who spend money in a port region inject money into a local economy and consequently into the generation of jobs. For every product bought from (for example) a shop, the shop owner made purchases from its suppliers, and the turnover of its suppliers leads in turn to purchases from those supplying the suppliers, payment of wages etc.

The cruise sector also has a number of other benefits including

- Bringing tourists to an area that they would not otherwise visit
- Attracting them to make a subsequent non-cruise visit
- Offering revenue maximisation for local businesses and greater resilience to economic downturns

Anecdotal evidence suggests that most cruise passengers and a share of the crew generally alight with passengers largely availing of tour opportunities while crew generally remain at the moored port. Additionally as noted, cruise vessels often purchase local goods and services, e.g. refuse collection, fresh water and produce particularly local unique produce, courier services and minor repairs, and buy-in of local entertainment at ports which they visit, all of which have an economic benefit to the area.

In 2016, according to the CLIA 2018 Cruise Industry Outlook, the cruise industry supported over one million Full Time Equivalent jobs, spent \$41.1 billion on wages and salaries, and had a total world-wide output of some \$126 billion.

Growth of the industry and vessel size over the past decade has increased demand for additional destinations for cruise line operators, and Ireland continues to capitalise on this with its strong tourist product in close proximity to its main ports of call.

According to the IMDO Transport Economist 2018, there were 324 cruise vessel calls with over 415,000 passengers to the island of Ireland in 2017, an increase of 14 per cent on the 2016 level.

The SEMRU Report indicates that the total expenditure by disembarking cruise passengers was €25.94 million in 2016, generating a GVA of some €9.8 million or 38 per cent of spend. Assuming some 80 per cent of passengers disembark, the average spend per visitor is €73. AECOM estimates that the average spend is €81 which is similar to an estimate reported by the Port of Cork .

Anecdotal evidence suggests that some 42 per cent of this is spent on shopping, 32 per cent on excursion travel, and 17 per cent on food and drink, while crew typically spend approximately €48, with most of the money going on food, drink, and shopping.

Using the AECOM passenger spend, the value of spend by Port of Waterford cruise passengers in 2017 was some €305,000 and a GVA of €116,000 or over €185,000 when the indirect benefit has been included.

When crew spend is also taken into account, the total spend is €341,000 and the overall GVA, including the multiplier effect, is some €207,000.

No account has been taken of local expenditure by the cruise companies on local repairs and purchases which has been estimated at €10,000 per visit by AECOM in their Development Study.

6. *The Policy Context*

This final chapter reviews a number of policy and reference documents that highlight the importance of the ports' sector as well as the importance of the Port of Waterford and the Belview Industrial Zone.

It concludes with some of the findings from the Government's Stability Programme Update which contains the Department of Finance's economic forecasts to 2021 which will have a particular bearing on the Port of Waterford's outturn over the next few years.

The primary documents are

- Project Ireland 2040 - National Development Plan 2018-2027 (National Planning Framework)
- The Kilkenny County Council Development Plan
- Ferrybank-Belview Local Area Plan 2017
- The Waterford City and County Development Plan
- Invest Kilkenny
- National Ports Policy
- Port of Waterford Business Plan 2016 – 2020
- South East Ireland Cruise Development Study

6.1 National Planning Framework

The draft and the recently published National Development Plan notes that the Government is committed to the delivery of the NPF as a blueprint for spatial planning in Ireland to 2040.

In setting out a strategic framework for public capital investment, the National Development Plan will support its delivery over the next ten years.

The draft notes that Ireland's port and shipping services play an important role as enablers of economic growth. Irish ports are critical infrastructure for international trade, with over 90 per cent of our international trade moving by sea. Ports also serve as logistics and distribution hubs.

Port infrastructure involves development on both land and in the marine area (foreshore) and often in proximity to areas of environmental importance and protection and diverse eco-systems. National Ports Policy seeks to facilitate a competitive and effective market for maritime transport services and identifies a tiered approach to port significance.

As an island nation, we depend on the quality and efficiency of our ports to a far greater extent than many of our trading partners. To maintain economic growth, we must be capable of delivering additional port capacity in a timely and predictable manner.

It re-emphasises that National Ports Policy requires Tier 1 and Tier 2 ports, or ports of national and regional significance, to lead the response in meeting Ireland's future port capacity requirements, and that the Tier 2 ports of Belview and Europort because of the potential to grow traffic through these ports, their proximity to key trading partners and their strategic transport roles beyond their immediate environs.

The long-term international trend in ports and shipping is toward increased consolidation of resources in order to achieve optimum efficiencies of scale. This has knock-on effects in terms of vessel size, the depths of water required at ports and the type and scale of port hinterland transport connections.

Specifically, the National Development Plan notes that, as an island, continued investment in our port and airport connections to the UK, the EU and the rest of the world, is integral to underpinning international competitiveness. It is also central to responding to the challenges as well as the opportunities arising from Brexit.

6.2 Local Authority Development Plans

There are a range of County and Local-area Development Plans that underline the importance of and support for the development of Waterford Port and the Belview Zone.

6.2.1 Kilkenny County Council Development Plan 2014 - 2020

The County Development Plan states that the Port at Belview is a strategic national, regional and county asset with good road and rail links. The role and status of the port nationally and regionally should be

strengthened in line with the NSS by supporting and promoting a balanced multi-modal freight transport policy that safeguards the importance of rail transport as a means of access to the port.

The Waterford Planning and Land Use Transportation Study (PLUTS) document identifies Belview as one of four key locations for future employment location for Waterford City.

The Plan notes that the Port has excellent road connections to the national motorway network via the N29 and N25 routes and has benefited significantly in terms of access through the provision of the Waterford Bypass and onward connections via the M9 motorway.

During the course of the last Development Plan the Council along with the IDA and Department of Environment Community and Local Government invested significantly in upgrading water services at Belview. With improvements to the Belview Strategic Water Supply Scheme and the Gorteens Waste Water Treatment Plant, the Port can now cater for a large increase in suitable employment enterprises, as set out in the LAP. A spur from the main gas pipeline now extends down to Great Island in County Wexford and into the Belview Industrial Zone.

Belview was identified in the Regional Planning Guidelines as containing potential for the development of an industrial park of regional and national importance and this should be exploited by developing it as a flagship location for regional industrial development initiatives.

The Council will facilitate and promote portal development and associated industrial and distribution activities.

6.2.2 Ferrybank-Belview Local Area Plan 2017

This LAP recognises the importance of the Belview Industrial area in the national, regional and local context. This LAP will seek to implement and underpin the sustainable development of Belview Port and the Belview area, as a key strategic asset for Kilkenny and the South East Waterford City region. The continued growth of portal activities will increase employment opportunities in the wider area.

This Plan also seeks to promote the expansion of portal activities at Belview Port, and the further development of the Belview Industrial area as described below.

Rail Freight

The LAP noted that there are many environmental and social benefits to be gained from utilising rail to transport goods. At time of publication, freight services ran between Westport and Ballina, Co. Mayo and Belview. The Council will work with the Port and Iarnród Éireann Freight to encourage the expansion of rail freight services to the Port.

Future of Belview Industrial area

The County's economic strategy identifies five sectors for specific development initiatives, two of which; Agri-Food and Life Sciences (including Pharma) relates to Belview. This LAP aims to facilitate the development of these sectors in Belview. This LAP also recognises that there is a need to capitalise on the significance of Belview Port as a critical piece of infrastructure, rivalling the more traditional ports of Dublin and Cork. The ready availability of water services, energy, and good infrastructural links, are the key elements which make these lands ideal for industry.

Tourism and Leisure

As regards tourism and leisure, Belview Port is another of the plan area's principal assets. Cruise ships berth at Belview Port on a year round basis. It is becoming a more popular berthing location for cruise ships due to the impressive location of the Port, close to the south eastern tip of Ireland at the conjunction of the Atlantic Ocean, English Channel and Irish Sea. It is also popular due to its proximity to Waterford City, which contains a range of tourist attractions, in addition to those in the south east generally.

The Port has potential to expand this business, and this would offer potential for the plan area to capitalise on the tourism associated with these cruise ships, possibly through the development of specific attractions and packages designed in conjunction with the Port.

Port Facilities and Industry

Objective: To allow for the further development and expansion of portal facilities and associated industries, to assist in the economic development of the wider area, whilst not encouraging leakage of uses which would be more appropriately located in the existing urban centres of Waterford City and Ferrybank.

6.3 Invest Kilkenny

Invest Kilkenny is an initiative established by Kilkenny County Council to promote and facilitate investment from new and existing companies in Kilkenny.

One of its activities is a website, <https://www.investkilkenny.ie/about/>, that details the business opportunities that Kilkenny offers.

The website promotes the Belview Industrial Zone and notes that within the Zone there is 265 hectares of zoned land, including a strategic IDA site of 53 hectares, the Marine Point Business Park and Belview Port.

Some major companies located within the Zone are Smartply, Store-All, Glanbia and Glanway.

The website notes that Belview Port is strategically placed within two hours of Ireland's major cities – Dublin and Cork, and is a natural hub for the integration of shipping, road and rail freight services and is connected via an exceptional road and rail network. It offers those involved in the shipment of goods an efficient and cost-effective service with savings in both time and fuel.

6.4 National Ports' Policy

The 2013 National Ports Policy aims to harness the potential of every port in Ireland. Shareholders are encouraged to take an activist approach to managing their ports to ensure the State gets best value from these crucial facilities, whether that shareholder is the Government or the local authority.

At the launch of the new Policy, the Minister for Transport, Tourism & Sport stated that “Our commercial ports are vital to our economic recovery and to future economic growth. They are the gateways for most of our merchandise trade, and for significant numbers of tourists and passengers. This new ports policy encourages each port, large or small, to develop its full potential to ensure that each one can contribute to further growth in the ports sector”.

The main features of Ports' Policy are:

- Instead of adopting a 'laissez faire' approach, the Government will become a more active or activist shareholder;
- Private investment in the ports will be encouraged;
- Recognition that different ports have different roles to play, now and in the future structuring the sector into ports that are of National Significance and have a national function, and those which are of Regional Significance with a specialist significance at national level;
- Ports of National Significance (Tier 1) are designated as: Dublin Port Company, the Port of Cork Company and Shannon Foynes Port, each of which accounts for more than 15% of national trade;
- Ports of National Significance (Tier 2) are designated as the Port of Waterford and Rosslare Europort of which each accounts for between 2% and 15% of national trade;
- Ports of Regional Significance being the remaining 14 ports;
- Future investment in deepwater capacity, when needed, will not occur until it has been subjected to stringent analysis commissioned by the Department, and will be led by the national ports;
- The commercial mandate of ports will remain. They will be expected to turn a profit, pay a dividend and will not receive Exchequer grants. The current dividend guideline is 30 per cent of after-tax profits

The Government expects the Ports of National Significance (Tier 1) to lead the response of the State commercial ports sector to any future national port capacity requirements. There is also a role in this regard for the two Ports of National Significance (Tier 2) to develop additional capacity to aid competitive conditions within the unitised sectors (Lift On/Lift Off and Roll On/Roll Off) in particular. These five ports collectively handle approximately 92% of all tonnage handled at Irish ports in any given year.

The policy envisages the Government as a more 'active shareholder' in those State commercial port companies designated as Ports of National Significance and represents a sea change in attitude and will allow Government to benchmark the performance of our ports and the return on our investment.

The Policy document notes both the Port of Waterford and Rosslare Europort offer services in the higher-value unitised sectors (LoLo in Waterford and RoRo in Rosslare) that support competitive conditions within those sectors by providing an alternative to the two larger unitised ports of Dublin and Cork.

The Government is committed to acting to ensure that both the Port of Waterford and Rosslare Europort achieve their full potential.

6.5 Port of Waterford Business Plan

The Port of Waterford Business Plan sets out the objectives and ambitions of the Port of Waterford for the five years to 2022 seeing activity and profitability growing significantly over this period delivering a solid dividend stream.

Its Vision is 'to be the preferred cargo gateway for the South East Region' with a Mission to 'provide infrastructure and services to enable trade and economic development in the Region'.

The Plan was formulated in the context of the national economy continuing to recover with growth being experienced across all sectors.

The Business Plan details the Port's Objectives grouped under four headings:

- Commercial Development
- Infrastructure
- People
- Systems

The Business Plan forecasts growth in containers to 88,000 TEU and Bulk to 1.64 million tonnes by 2022. This increase in business is expected to grow Revenue to €10.5 million and EBITDA to €3.9 million.

The intention is to expend €5.1 million on CAPEX over the five years.

6.6 South East Ireland Cruise Development Study

The Port of Waterford and Rosslare Europort, in association with the counties of Waterford, Wexford and Kilkenny, commissioned AECOM to prepare a South East Ireland Cruise Development Study.

The purpose of the study was to answer the following questions:

- The potential of the cruise sector to South East Ireland
- The cost of maintaining the status quo compared to active pursuit of the opportunities
- What is needed to leverage the potential of the cruise sector and at what cost
- What should a strategy for developing the cruise sector consider

This Report, published in November 2017, found that

- Every cruise call in South East Ireland benefited the economy by €66,100 in direct income and €15,400 in tax revenue
- The cost of maintaining the status quo would be €1.54 million at current prices per year, 33 jobs and €0.36 million in tax revenue
- A solution that delivers reliability for larger vessels is needed, and, if the solution can also improve access for larger vessels and enhance passenger experience, that would be beneficial too
- When formulating a strategy, the following should be considered
 - o Leadership
 - o Goals
 - o Key decisions that need to be made
 - o The Region's unique selling point
 - o Collaboration
- The two main strands of the strategy will be to enhance the Port's facilities and finding ways to enhance the marketing of the region



APPENDICES



Appendix 1: Port of Waterford Economic Impact Study Confidential Questionnaire

This confidential questionnaire is concerned with the Respondent's activities for the year 2017.

The information is being collected to assess the economic impact of companies located at the Belview Industrial Zone irrespective of whether their operations are port-related or not.

If a Respondent is part of a larger enterprise based outside the locality, then the information provided should relate to the company based at Belview only.

Four primary questions are asked:

- Turnover
- Staff Numbers
- Staff Costs
- Expenditure on Goods and Services

A further five qualitative questions are asked in relation to the Respondent's views on the importance and value of the Port of Waterford.

Staff Numbers should be the average number of employees for the year 2017 specified in terms of Full-Time Equivalents (FTEs).

Gross Staff Costs are exclusive of employer pension contribution and PRSI costs.

Expenditure on Goods and Services relates to standard and general expenditure concerned with day-to-day Activities and Operations incurred during 2017. This Expenditure excludes Capital Expenditure and Staff Costs.

Any questions or clarifications required on this Confidential Questionnaire should be addressed to Raymond Burke on 087 XXX XXXX.

It should be noted that all information collected shall be collated and no individual response will be reported.

Company Name	
Company Address	
Activity	
Respondent (Capitals please)	
Turnover €	
Average Number of Staff (FTEs)	
Gross Staff Costs for the Year 2017	
Number of Staff involved in port-related activities	
Expenditure on Goods and Services in 2017	

General Questions

On a scale of 1 – 5, where 1 is Not Important and 5 is Very Important, please respond to the following Questions:

QUESTION	SCORE
In your view, how Important is the Port of Waterford to the Economic Performance of the South East Region	
How Important is the Port of Waterford in facilitating Importing and Exporting in the South East Region	
How Important is the Port of Waterford in reducing the Environmental Impacts of Transporting Goods to/from the South East Region	
How Important is the Port of Waterford in facilitating Tourism in the South East Region	
How Important is the Port of Waterford in attracting Foreign Direct Investment to the South East Region	

Appendix 2: The South East Regional Economy

B.1 The South East Region

The July 2018 edition of the South East Monitor notes that early indicators are that the recovery of the economy of the South East (SE) region is running out of steam. In particular, despite a bumper year for the IDA in the SE, the region has fallen further behind the rest of the State in most metrics.

It goes on to say that of great concern is that between 2017Q1 and 2018Q1, the number of people in work increased by 62,000 nationally but decreased by 2,400 in the SE. This decrease is unique to the SE and Border regions. The unemployment rate in the SE seems to have plateaued and any modest short-term decreases over the last 12 months are largely attributable to a shrinking labour force. There is also a degree of inertia in the job-quality and sentiment metrics, with the region continuing to significantly lag behind other regions.

The weak economy, it adds, is illustrated in data on car sales, income tax and VAT returns, housing and the proportion of workers on the minimum wage. With the SE, the structural economic issues continue to dominate short-term economic trends. In particular, the very pronounced deficits in regional higher education capacity, acute hospital services, international tourism, and IDA supported employment drive ever lower job quality. The region faces economic headwinds which are shared with the State such as Brexit and the fragile EU recovery. However, the structural economic issues related to the SE's relationship with the State continue to assert themselves as the dominant economic driver.

The drop in unemployment masks further deterioration of the SE labour market and a pronounced relative decline as the SE is left behind relative to most of the other seven regions of Ireland. All labour market data supports this view, particularly the decline in year-on-year employment, the long-term weakness in job-quality metrics and the greater proportion of minimum wage jobs.

The Monitor notes that it can find no evidence of actions taken to support Government's commitments in the 'Action Plan for Jobs' to bring unemployment in the SE to within one percentage point of the national average. Furthermore, it is highly unlikely that the SE will meet the target of having 25,000 net new jobs before 2020. There does not appear to be any measures in the recently announced 'Ireland 2040' stimulus plans that will address the structural issues in the SE labour market.

Some of the key findings of the Monitor are:

- The unemployment rate in the SE continues to decline, moving from 7.9% 2017Q1 to 7.2% over 2018Q1. Since there are 2,400 fewer people working in the region, the reduction in unemployment is accounted for primarily by individuals leaving the region's labour force through migration or retirement.
- The SE is one of only two of the eight regions not to have reached the regional Action Plan for Jobs (APJ) target of bringing regional unemployment to within one percentage point of the State average.
- Statistical changes* make it difficult to evaluate whether the SE APJ is on course to achieve its aim of creating an additional 25,000 jobs by 2020. The new method suggests only 5,400 net new jobs have been added since Q32015. The SE has the 2nd lowest labour market participation rate at 59.8%. This compares with the national rate of 62.2%, and with Dublin which has the highest regional rate at 65.4%
- Individuals in the SE pay 51.5% of the national average of all income taxes. This highlights the combined effect of low average wages and higher rates of unemployment.
- The region lacks quality PAYE jobs (48.9% of the average PAYE), with income taxes from self-employed individuals being above two-thirds of the State average (at 67%). This assessment of job quality is also evidenced by disposable income statistics. If the SE returned incomes taxes at the national average, it would add €800m to the national coffers.
- Furthermore, the most recent data (April 2017) shows that the SE (including South Tipperary) has the second highest proportion of employees earning the National Minimum Wage (NMW) or less (13.2% versus 10.1% for the State as a whole)
- IDA supported jobs are amongst the highest paid jobs, with 75% of all such jobs having incomes in excess of €35k. While 8.86% of the population reside in the SE, the region has just 5.4% of all the IDA supported employment (61% of a fair share).
- 2017 was a very good year for the IDA in the SE with the deficit reduced by almost 200 jobs as the number of IDA-supported jobs increased by 10.9% in the SE, an impressive performance against the 5.3% rise nationally. However, since 2011 the SE has only accounted for 5% of the net jobs added nationally. Worryingly of the 3,530 jobs announced in the IDA's 2018 mid-year performance update, relating to 21 publicly announced projects (of the 139 total projects), none were expected to generate employment in the SE region.

- IDA employment growth is based on additional jobs in existing supported companies and new greenfield sites driven by IDA marketing visits.
- With the SE having a significant deficit of IDA supported jobs (7,190 jobs), organic growth from the existing low base is unlikely to resolve this situation. So IDA visits are a strategic imperative for the region. The number of IDA visits to the SE is well below a national average and has been declining each of the last three years. In 2017 the SE received just 4.1% of the visits in 2017, down from 6.7% in 2016 and down even further from a high of 9.5% in 2012

Regional Accounts

The Regional Accounts data provide details of Gross Value Added or the value of goods and services produced in the area in question.

Table B.1 below provides details for both the South East Region as well as the State (data at county level are not available). It can be seen quite clearly that the South East is relatively poorer than the State as a whole with its Index increasing from 63.0 to 63.5.

The South East Region contributes about 7 per cent towards national GVA.

	South East Region		State		Share of State %	
	2015	2016	2015	2016	2015	2016
GVA €m	16,608	17,577	243,178	255,358	6.8	6.9
GVA per Person €	33,030	34,679	52,361	54,637		
Index	63.0	63.5	100	100		
GVA per cent Analysis						
Agriculture, Forestry, Fishing	3.0	NA	1.3	NA		
Manufacturing	31.9	NA	27.3	NA		
Services	65.1	NA	71.4	NA		

Source: Central Statistics Office; NA : Not Available

Table B.1: Regional Accounts (Preliminary) at Basic Prices

Disposable Income

We also examined the Disposable Household Income per Head (Table B2). Household Income differs from Gross Value Added (GVA) in three main respects:

- Firstly, GVA includes the profits of companies. These profits may not necessarily accrue to residents of the region
- Secondly, some of the workforce may bring their incomes home to another region
- Thirdly, household income includes items such as Social Welfare benefits and factor incomes from abroad that are not included in GVA

These findings show that the Disposable Income per Head for Kilkenny is lower than that for Waterford which is slightly lower than the State average. The Disposable Income per Head for Waterford is higher than for the South East Region.

	Kilkenny		Waterford		South East Region		State	
	2015	2016*	2015	2016*	2015	2016*	2015	2016*
€ per Person	19,227	19,862	20,113	20,658	19,503	20,024	20,334	20,939
Index	94.6	94.4	98.9	98.7	95.9	95.6	100	100

Source: Central Statistics Office * Preliminary estimates

Table B.2: Household Disposable Income

As can be seen, that Kilkenny and Waterford were 94.4 per cent and 98.7 per cent respectively of the State Average in 2016 with a minor reducing trend.

B.2 The South East Region

A brief socio-economic analysis of Counties Kilkenny and Waterford follow from the 2016 Census.

B.2.1 At Work by Industry

There were almost 87,000 people in employment in 2016. The sectors were:

Sector	Waterford	Cty Share %	Kilkenny	Cty Share %	State
Agriculture and Fishing	2,589	6%	3,488	8%	4%
Building & Construction	2,052	5%	2,496	6%	5%
Manufacturing Industry	7,418	16%	4,969	12%	11%
Commerce	9,513	21%	9,348	23%	24%
Transport	2,383	5%	1,991	5%	9%
Public Administration	1,979	4%	2,150	5%	5%
Professional Services	11,535	25%	10,446	25%	24%
Other	8,126	18%	6,475	16%	18%
Total	45,595	100%	41,363	100%	100%

Source: Central Statistics Office

Table B.3: At Work by Industry

It can be seen that, while the Manufacturing sector was more prominent in Waterford than in Kilkenny or the State on a percentage basis, Commerce was slightly ahead, percentagewise, than in Waterford.

B.2.2 Persons at Work or Unemployed by Occupation

An analysis of those *At Work or Unemployed by Occupation* is as follows:

Occupation	Waterford	Share %	Kilkenny	Share %	State
Managers Directors and Senior Officials	3,703	7%	3,487	7%	7%
Professional Occupations	8,135	15%	7,602	16%	17%
Associate Professional and Technical Occupations	4,979	9%	4,390	9%	11%
Administrative and Secretarial Occupations	4,527	9%	4,298	9%	10%
Skilled Trades Occupations	8,223	15%	9,011	19%	14%
Caring Leisure and Other Service Occupations	3,725	7%	3,807	8%	7%
Sales and Customer Service Occupations	4,292	8%	3,119	7%	7%
Process Plant and Machine Operatives	4,799	9%	3,336	7%	7%
Elementary Occupations	4,993	9%	4,146	9%	9%
Not stated	5,690	11%	3,633	8%	10%
Total	53,066	100%	46,829	100%	100%

Source: Central Statistics Office

Table B.4: Occupation

Appendix 3: National Freight Trends

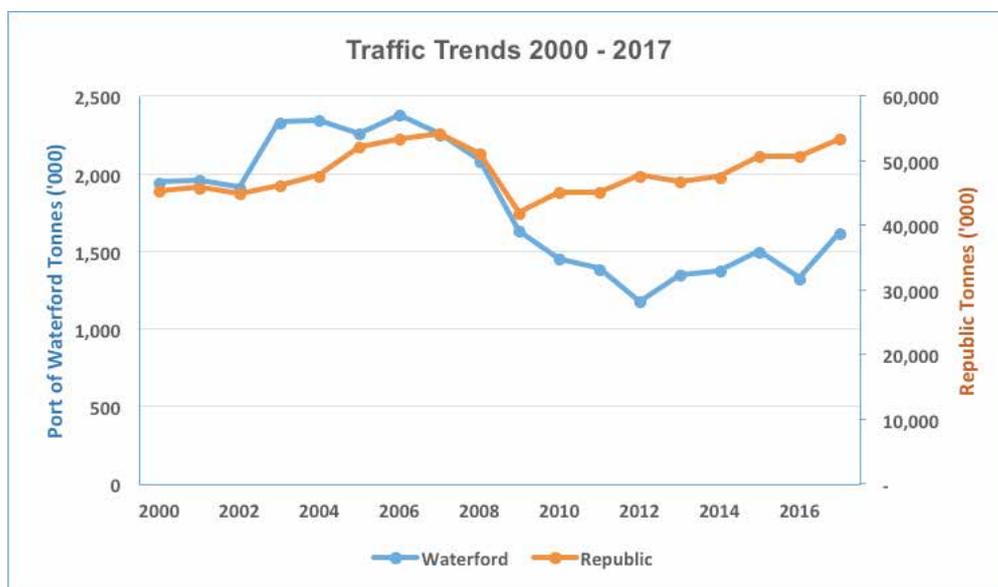
Table C.1 and Figure C.1 provide an analysis of port traffic through the principal ports of Ireland for certain years from 2000 to 2017.

The Port of Waterford accounted for three per cent of national freight traffic in 2017.

PORT ('000 Tonnes)	2000	2002	2010	2014	2015	2016	2017
Dublin	15,892	15,557	19,548	21,078	22,205	23,849	24,996
Shannon Foynes	10,282	10,418	9,134	9,989	10,871	10,949	11,283
Cork	9,732	9,042	8,466	8,714	9,709	8,977	8,967
Bantry	1,198	1,229	1,224	1,311	1,165	298	846
Waterford	1,943	1,910	1,451	1,373	1,497	1,325	1,612
New Ross	1,121	979	444	331	285	270	345
Rosslare	1,913	1,926	2,502	1,977	2,064	2,179	2,166
Drogheda	1,015	1,369	499	1,220	1,226	1,223	1,282
Dun Laoghaire	225	146	2	10	0	0	0
Dundalk	285	291	140	75	74	43	82
Wicklow	151	182	89	94	134	152	142
Galway	727	896	671	563	563	588	604
Other Republic Ports	789	974	901	737	872	860	1,021
All Republic Ports	45,273	44,919	45,071	47,472	50,665	50,713	53,346
Belfast	12,484	12,825	12,827	16,793	16,700	17,553	18,226
All Northern Ireland	21,435	21,363	22,911	25,033	25,312	26,550	27,134
Island ('000 Tonnes)	66,709	66,282	67,982	72,505	75,979	77,263	80,480

Sources: CSO DOT (UK)

Table C.1: Freight Traffic Trends through the Main Ports of Ireland







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