

Cynulliad Cenedlaethol Cymru	National Assembly for Wales
Y Pwyllgor Menter a Busnes	Enterprise and Business Committee
Ymchwiliad i Botensial yr Economi Forol yng Nghymru	Inquiry into the Potential of the Maritime Economy in Wales
PME 21	PME 21
Cyngor Bwrdeistref Sirol Castell-nedd Port Talbot	Neath Port Talbot County Borough Council

## **Consultation questions**

### **Role of Government**

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

This consultation is a positive step forward by WG in scoping the development potential of the maritime economy. How this is taken forward, what collaboration and at what level, will determine if a strategic approach has been adopted by WG. Based on the developments of this sector to date, there has not been a strategic approach to development.

The Welsh Government will be aware that there is a Welsh Ports Group which has been meeting approximately quarterly for the last few years. This Group has provided practical responses to a number of port related issues and provides a valuable forum for discussing key issues. Neath Port Talbot CBC would wish to engage and work closely with WG on future port developments and the Wales Ports Group as a whole.

Welsh Ports account for only 11% of all port traffic and tonnage has remained static fluctuating between 50–60 million tonnes per annum for the last decade. There must be considerable scope for

improvement.

- Ports have been under developed within Wales and lacked investment. The Maritime economy impact has not been maximised to date. Our location and port assets in Wales means we should be seeking to maximise the use of our ports. Encouraging and supporting projects which attract and stimulate new industries or diversification by existing port users
- Strategic development of the maritime economy would require collaboration with key stakeholders such as the Welsh Government local authorities and owners and users of ports, to establish actions and development opportunities. Focusing on key local offerings linked to each of the Ports. Port Talbot has a unique offering, a Dock and Tidal Harbour, with land for development alongside key areas of development e.g. Harbourside, Upgrade of Port Talbot Parkway and major investment in road network
- To maximise development potential, collaboration will be required at both strategic and delivery level, between WG, local authority and Ports.
- Lack of investment and development at Port Talbot has limited the potential for the Dock and Tidal Harbour. ABP (operator of Port Talbot and Swansea docks) estimate that the two docks contribute towards 7,000 local jobs and £454m to the local economies. As we move forward as a thriving City Region, seeking to maximise employment and wealth creation, Port Talbot needs to play its part in future growth and capitalise on the fantastic natural advantages the port has.
- Port development land plans need to factor into and align into any local development plans, thus providing a more cohesive and integrated strategic approach, to maximise any development opportunities

Are there any examples of best practice in this area?

## **The Isle of Wight as a Centre for Marine Energy – Solent Ocean Energy Centre.**

This is one example of the type of approach that could be adopted in developing an Ocean Energy Centre Hub linked across South West Wales.

A point of reference is the evaluation document: **The case for establishing an evaluation and research centre for ocean energy technologies on the Isle of Wight**

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

There are several potential streams of EU funding that could be utilised to support activity within the Maritime and Fisheries sectors in various ways:

**European Maritime and Fisheries Fund (EMFF)** is the fund for the EU's Maritime and Fisheries policies for 2014–2020. The fund helps fishermen in the transition to sustainable fishing, supports coastal communities in diversifying their economies, finances projects that creates new jobs and improves quality of life along European coasts and makes it easier for applicants to access financing. The EMFF will look to develop coastal communities and support integrated action for regeneration, including developing aquaculture in Wales

**European Regional Development Fund (ERDF) and European Social Fund (ESF)** For the period 2014–2020, West Wales and the Valleys will receive European Structural Funds investment worth some £1.6 billion. In line with EU and Welsh Government strategies for supporting growth and jobs in Wales, the ESF and ERDF Operational Programmes focus on research and innovation, helping businesses to start up and grow, supporting renewable energy and energy efficiency, connectivity and urban development, tackling poverty through sustainable employment, increasing skills and youth

employment. This will ensure appropriate infrastructure and cater for any gaps in skills that are identified within the sector.

In addition, the European Territorial Cooperation Programmes, e.g. INTERACT, URBACT and ESPON encourage cross-border, transnational and inter-regional cooperation and balanced development of the European territory. In total, €1.3 billion ERDF is available for projects that focus on:

- economic competitiveness
- economic development
- creating attractive regions to live and work in
- sustainable environmental development
- promoting a safe and healthy environment.

**The Connecting Europe Facility (CEF)** supports trans-European networks and infrastructures in the sectors of transport, telecommunications and energy. The Fund has a Port Development strand which recognises that Europe's ports are vital gateways, linking its transport corridors to the rest of the world, playing a crucial role both in the exchange of goods within the internal market and in linking peripheral and island areas with the mainland.

It has been estimated that new EC regulations could save the European economy up to €10 billion by 2030 and help develop new short sea links.

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

Essentially, the key activity should be to raise awareness of funding resources, match funding to projects and have available expert support to potential projects.

In addition, identifying areas which are particularly challenging and linking in where possible to the Economic Prioritisation Framework would ensure that funding opportunities are maximised.

There is also a role for the WG in terms of working with Port owners/operators and with Local Authorities to bring together joint bids for funding and facilitate any necessary matching with other European Union ports.

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

I cannot comment on this engagement.

## Ports

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

Port Talbot has the second largest port in Wales in terms of traffic (5.2m tonnes) in 2009 and handles the largest bulk carriers in the world. It imports iron ore and coal, mostly for use in TATA steelworks. This link with the volatile steel market means that large fluctuations in usage can occur from year to year. This should be viewed as an impetus to diversification.

Port Talbot has excellent links to the M4 but connectivity both east and west impacts on accessibility to South West Wales Ports.

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

Where ports are located within Enterprise Zones, there are added incentives for developing current businesses or attracting new investors into using the ports in the Enterprise Zone Business Rate Scheme (which helps to offset some of the costs of expanding or creation/relocation of businesses). Additionally there are enhanced

capital allowances available with the same aim of removing the barriers to growth or stimulation of businesses in the zones.

Port Talbot port itself is not within an Enterprise Zone, but our City Region Colleagues in Pembrokeshire have the Haven Waterway Enterprise Zone, which is focusing on the energy and environmental sectors. It is our understanding that the status has provided real impetus and it would be something we would welcome in Neath Port Talbot.

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

'A Low Carbon Revolution', estimates that Wales has the potential to produce more than twice as much energy as it currently uses through wholly renewable sources by 2025, with the largest proportion of this energy coming from marine generated electricity. This highlights the potential of the maritime sector.

**Skills & Training:** present a further opportunity for businesses, as this sector and projects develop, skilled people will be required pre, during and post completion.

The maritime economy and Ocean Energy will provide economic opportunities for ports, ferry operators and businesses on a number of levels.

Ocean Energy is now becoming more cost effective with technology developments enabling improved installations and generation. As a new and innovative world technology, which is likely to be adopted across the globe, this represents a key development and economic value opportunity for Ports and businesses.

Any potential large scale projects being proposed e.g. tidal Lagoon, tidal barrage, off shore and wave energy will provide:

- Opportunity to secure some form of inward investment linked to these projects
- Set up of assembly and layout off areas for the of plant and equipment for the energy projects
- Local welsh supply chain opportunities for businesses e.g. construction, services and supplies to the development
- Ports will have revenue streams from use of port facilities and shipping of materials and equipment
- Ports could also develop facilities to accommodate cruise liners at Ports e.g. Port Talbot has the capability for this with some support, funding and investment
- **Tidal/Wave/Wind: Operations and Maintenance:**  
Welsh Ports: this will be the key significant opportunity for Welsh ports
- In addition the replacement of existing turbines at the end of the operational lifetime could involve shipment of replacement turbines or components through ports.
- Welsh Ports need to look ahead to plan and secure investment into storage and handling facilities. Port Talbot is well placed to service major developments and is supported by a strong manufacturing and construction base.

Supporting development of the Maritime Economy:

- Ports and port users, Local Authorities and WG need to collaborate and engage at strategic and essentially at delivery level to support the development of this sector.
- Ports need to make investments or confirm commitments to investment in areas such as Port Talbot,

- Port Authorities, Welsh Government local authorities also need to engage more to establish mutual and supporting action and agreement to work together to attract developments and investment

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

### **Engagement**

1. WG and local authorities and support organisations to work more closely on delivering projects
2. Have a collaborative team from across WG and local authority, to provide hands on support and help facilitate developments.

### **Financial**

1. Secure funding for major infrastructure developments, as this sector will be able to provide a long term legacy and economic return to the economy
2. Support the set-up of R&D or training or manufacturing centres of excellence for Ocean/Wave/Tidal
3. Support local businesses for expansion and invest into equipment and technology, so they can supply into this sector

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

The implications of the St Davids Day announcement cannot be easily identified.

This would be dependent on a number of factors:

1. WG Port Policy
2. Funding for infrastructure and Ports



### 3. Economic priorities of WG

The aim should be:

- to ensure that a distinct Welsh policy can be created for the economic development in this sector
- the creation of an integrated transport infrastructure to support this sector development
- improve infrastructure links to Ports
- maintain and enhance the competitiveness of Welsh ports
- improve the cohesion between local transport, planning and port development
- to be factored across a number of different areas i.e. economic development, transport and tourism
- ensure policy and legislation do not impact on competitiveness with other UK and European ports

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

The central focus for port policy should be economic development, jobs creation, legacy investment and collaboration

### Energy

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

- Early discussions should be had with such projects to exploit inward investment opportunities e.g. tidal technology manufacturers to set up operations at Port Talbot and Swansea.
- Early discussions with the Projects to set out a clear and strong message to adopt Welsh supply chains at every opportunity
- Set local, regional and Welsh spend and employment targets for each project and to be held accountable to this
- Use these projects as a catalyst to develop the manufacturing

supply chains

- Set up centre of manufacturing excellence, in such areas as tidal, wave and marine in some key port areas
- Sustainable legacy developments could be requested from overseas technology providers, these projects and related companies i.e. to set up operations, local to each project.
- Securing the head operations for projects in Wales on a long term basis
- Encouraging and supporting the development of testing sites and technologies in tidal and wave. This represents an opportunity for academia and private business to collaborate on R&D with a clear commercialisation target.

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

- Long time frames and process involved before a project can start
- Funding for any given project
- Poor road and rail links to ports
- Technology still in development phase and hence still very costly
- Ocean Energy requires further investment to help facilitate the next step change in technology and this could happen in Wales

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

## **Highlights – Port Talbot**

- Handles the largest bulk carriers in the world (up to 180,000 dwt)
- Excellent transport links (road and rail), located within easy reach of the open sea, has direct mainline rail access and lies adjacent to the M4 motorway
- The port comprises of the Tidal Harbour, which handles cape-size bulk vessels, and the docks, which can accommodate smaller heavy-lift, project, and general cargo vessels
- This is a nationally strategic port asset with significant development opportunities available for the construction of additional berths and cargo-handling facilities.
- Proximate to the Tidal Lagoon and well placed for future tidal, wave and off shore energy projects

## **Port Talbot Tidal Harbour**

- One of the deepest berths in the UK
- Predominantly used for Tata imports of coking coal, minerals and ores

## **General cargo**

- Handles a wide variety of traffics including processed slag, sand, cement, steel, and heavy-lift cargoes

## **Offshore wind, Tidal and Marine**

- Unique port location for vessels up to 16m draught
- The potential to accommodate a major, purpose-built deep-water facility capable of serving UK and worldwide offshore markets
- Land available to service potential future developments for leisure, marine, tidal and off shore developments. The southern corner of the harbour, could provide up to 28 ha of land, which would have 24-hour deep-water access to serve the Bristol Channel Zone
- Additional development land available
- Handles around 9 million tonnes annually

- Total port acreage = 845 acres

Thank you for contributing to our inquiry