

Ms Sian Phipps
Clerks to the Enterprise and
Business Committee
National Assembly for Wales
Cardiff
CF1NA

3rd March 2012

Dear Ms Phipps,

Inquiry Into International Connectivity Through Welsh Ports and Airports

We are responding to an invitation from the Enterprise and Business Committee to submit evidence and information to assist them in their inquiry into the following subjects:

1. How important are major Welsh ports and airports, both to the economy of their own regions and to Wales as a whole?
2. What factors limit realisation of the potential offered by major Welsh ports and airports; what opportunities are available to develop this potential; and how can these be realised?
3. How effectively do Welsh Government policies support the development of major Welsh ports and airports?

For clarification purposes we wish to advise that this letter comes to you from The Port of Holyhead and Fishguard which are owned by Stena Line Ports Limited, a subsidiary of Stena AB, based in Sweden. Stena AB also owns 35 ships and operates 17 ferry routes for freight and travel passenger traffic throughout Scandinavia, the North Sea and the Irish Sea including:

- Fishguard to Rosslare
- Holyhead to Dun Laoghaire
- Holyhead to Dublin
- Liverpool to Belfast
- Heysham to Belfast
- Cairnryan to Belfast
- Harwich to Hook of Holland

Stena Line, as well as providing a comprehensive range of ferry services, are also terminal managers and operators on most of their routes. In addition to Holyhead, Stena Line Ports Limited is the statutory port authority in both Cairnryan and Fishguard.

How important are major Welsh ports and airports, both to the economy of their own regions and to Wales as a whole?

As active council members of the British Ports Association and in particular the Welsh Ports Group, Stena Line are of course in complete agreement with the economic précis contained in the inquiry submission the committee has received directly from the Association.

At a local level and to emphasise the economic importance of ports on their environs, port operations in Holyhead account for a significant proportion of the estimated 19,000 jobs available on the Isle of Anglesey. Of the estimated 4,500 jobs located in Holyhead town itself, the Stena Line operation is responsible for direct employment of over 25% of the local workforce i.e., port staff, ship staff, border agency staff etc.

At Fishguard the Stena Line operation is responsible for the direct employment of over 200 and are the largest single private sector employer in North Pembrokeshire.

In addition there are an even larger number of indirect employment impacts created elsewhere on Anglesey and in Pembrokeshire including hotels, coach drivers, tourist attractions and food suppliers etc.

Another important economic benefit to the region and one with significant potential for growth provided by Welsh ports is the cruise call market. It is widely recognised that the average passenger spend per person calling on a large cruise ship is in the region of £100. With many of the large cruise ships accommodating up to 3 500 passengers, it's easy to see how a concerted effort to help stimulate this lucrative market to use more Welsh ports could generate a substantial economic windfall for the region. The cruise market continues to expand with operators constantly on the lookout for new and interesting destinations to build imaginative itineraries for their customers. Wales has a very attractive tourism product as we know and one which could easily translate into a range of compelling trips for cruise operators to promote to their global customer base.

What factors limit realisation of the potential offered by major Welsh ports and airports; what opportunities are available to develop this potential; and how can these be realised?

Ports form an important part of the supply chain for many UK importers and exporters and although not always easy to measure directly, it is essential that proper consideration needs to be given to immediate availability and the time critical nature of the supply chain.

Road network/ infrastructure

The provision of appropriate road links to both Holyhead and Fishguard ports are of key concern to all those who use the port. At Holyhead Port the A55 Expressway stops some distance from the actual port check-in facilities. This missing port link although workable does result in excessive traffic build up on the local road network as well as causing significant delays to freight and tourist traffic arriving to and departing from the port. Clearly such unnecessary blockages are not only costly to our customers but are undoubtedly a barrier to future freight and tourism growth at the port. Ongoing customer frustration on this issue is reported to us regularly and our real concern is that this infrastructure failing has the potential to limit the future use of the port which in turn will have a negative impact on the contribution trade and tourism can make to the economy of the region.

The A40 starts at Fishguard Port, joining the M4 corridor 43 miles later, west of Carmarthen. The concerns here are more basic than those of the A55 Expressway. The A40 is a single carriage road for 35 miles, with only one 2 lane section east bound for overtaking and none west bound. The journey, with no disruption, takes approximately 50 minutes. Even though the A40 and M4 are the main economic arteries running through South Wales connecting us to Southern Ireland and the South of England, the A40 is not even recognised as a TEN-T route. This lack of recognition is a real cause of concern for us as it means that the A40 will continue to be ignored when it comes to consideration for potential future upgrade work. We would urge a review of the A40's lack of TEN-T status as a matter of urgency.

The development of Holyhead as a Port was enhanced by the extension of the A55 across Anglesey. An improvement to the A40 could be a catalyst to the Fishguard Port development plan which was submitted for outline planning last year along with a proposed Marina development adjacent to the Port. The plan if approved would modernise infrastructure, additional capacity and allow access for a second operator which in turn would strengthen the corridor and connectivity to Southern ROI.

The road infrastructure system to and from a port is an essential element of its offering and indeed appeal. At a local level, Holyhead Port is the recipient of many complaints from the users of the A55 Expressway. The 100 mile or so section of strategic highway which leads from the North West of England through to Holyhead seems to be the subject of continuous extensive road repair, traffic delays and resultant congestion. These delays whilst sometimes unavoidable could in our opinion be much better co-ordinated throughout the whole length of the route so as to minimise the disruption caused to the road users. A strategic highway should be treated as such. Due consideration needs to be given by the various authorities involved in the ongoing repairs programme and proper consideration needs to be given to the full effects that frequent disruption can cause along the entire length of the road.

Given that the A55 Expressway is a busy TEN-T route, on behalf of Holyhead Port we would like to put on record our concerns regarding the inadequacy of freight specific layup stops (Truck Stops). As far as we are aware no such facility exists within easy reach of Holyhead Port. As you will be aware, freight drivers are subject to strict driver hour limitations. The

lack of appropriate Truck Stops means that the drivers are forced to find alternative sites to park up to rest to comply with the law and on many occasions their choice of location may not always be popular with local councils. A very similar problem exists at Fishguard Port. We are aware that a private company (Conygar Ltd) are actively planning a 'Truck Stop' facility both in Holyhead and Fishguard Ports. We would urge the Government to support these initiatives and help with the provision of this much needed infrastructure improvement as quickly as possible.

Port infrastructure:

Cruise ships

Wales in our opinion is very a much an untapped cruise market destination and given the right level of reliable long term investment, promotional support and vision, could quite easily replicate the same level of success that Ireland has managed to achieve in the last 20 years. We don't have to look too far to see successful examples of this strategy being deployed in practice. For example, over the last 20 years Cork Port has managed to grow its annual cruise call business from 8 to 54 ships. Wales has as much right to make its claim on the burgeoning cruise market as Ireland does! The question is do we want to?

To be successful in the global cruise market, the Welsh Government via Visit Wales, local councils and various other stakeholders need to work in partnership to help support the ports in order to provide the right infrastructure to accommodate these large ships. Allied to this we must have a robust long term marketing campaign i.e. one that can persuade these large cruise companies to visit Wales year on year. This will be a challenge. Cruise line operators work on creating their itineraries a number of years in advance so we need to be working as a team now to help position Wales front of mind in their decision making process in a industry which globally will carry 22m passengers by 2015 spending in excess of £11bn.

To date, Wales has addressed the whole issue of cruise tourism in a relatively ad hoc way. CruiseWales, a group of ports, Welsh Government officials, destination managers and tourism operators was established in 2004 and it is this organisation that needs to be strengthened and properly funded if we are to make a serious attempt to tap into this lucrative market. As mentioned above, Ireland has embraced this opportunity very successfully with its Cruise Ireland initiative and the Irish economy is now benefitting significantly from that support and commitment.

How effectively do Welsh Government policies support the development of major Welsh ports and airports?

Links between individual ports in Wales and the Welsh Assembly Government are on the whole strong and productive. At the beginning of March 2009, a group of strategic Welsh ports collectively met the then Deputy First Minister to look at a range of issues confronting the industry. Following on from this meeting and in recognition of the ongoing need to work in partnership, a Welsh Ports Group has been established which continues to meet up twice a

year. We would ask the Welsh Government to continue to actively support this group which we believe will enable Welsh ports to become far more closely aligned to and assist with the improved strategic development of government policy in this key area.

We are committed to playing our part in helping to stimulate tourism. As mentioned above in relation to the global cruise ship market, it is vital that we work in partnership ensuring that all the key stakeholders are committed to providing the support and drive necessary to help Wales take a bigger portion of this lucrative market. Closer to home, the same focus and commitment needs to be maintained when it comes to stimulating domestic visitor markets. In the ferry industry we are committed to working with Visit Wales to help drive visitor numbers and are keen to look at and support innovative joint marketing strategies that will help position Wales as a 'must see' destination. To date there has been some progress in this area but we are confident that the ferry industry can help support a more proactive and sustained approach to markets across the UK and Ireland and help drive visitor numbers up in the months and years ahead.

We hope this submission is helpful to the Committee's deliberations and of course we will be more than happy to answer any further questions you may have.

Yours sincerely

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