



May Election Briefing 2016

Please find below some information on Northern Ireland ports and their objectives for the future. Please do not hesitate to contact us if you would like more information.

The Ports Industry in Northern Ireland

Ports in Northern Ireland (NI) handled 25m tonnes of cargo in 2014 amounting to 5% of the UK total, a total that is in fact larger than that of some EU member states.

Taking into account the population of NI, this is a remarkable performance. NI ports handle approximately one-third of all the traffic passing through ports in Ireland.

NI ports have been particularly resilient in recent years and although there was a dip in throughput during the recession, it now exceeds pre-recession totals, the only part of the UK to have achieved this.



NI Ports Impacts

Economic:

The significance of the economic contribution of NI ports is enormous. Taking into account all parts of the UK, the gross value added contribution of NI ports to the NI economy at **2.7% (over £800 million GVA)** is greater than any other country or region.

Employment:

Its contribution of **2.2% (over 15,300 jobs)** to employment is also the highest of any region. Apart from their critical import, export and passenger handling roles, NI ports in themselves are therefore significant in their contributors to the health of the NI economy.

Transport & Agricultural Impacts:

As key gateways they also have a major and enduring impact on transport infrastructure and investment, and are the locations of major road and rail links. Most cargo comes via ro-ro ships, which are particularly important for food and retail goods, but other cargoes include animal feed products, fertilizers, oil, coal, timber, steel and important exports for the region such as bulk cement.

Trade in containers and the cruise market is also becoming increasingly important.



Factors for Industry Success

The success of the NI ports industry depends on a combination of factors. These include the overall strength of the economy, the adequacy of transport links, the need for environmental protection, the planning and licensing regimes as well as the specifics of ports policy.

Ports policy is fully devolved to the NI Assembly. Although this allows flexibility, it is important to note that advances in other parts of the UK can also be used productively in NI. A current example concerns navigational safety and the ability to direct ships in harbour. Adopting legislation already in use in GB for NI purposes is therefore another objective.



Public Policy and NI Ports

Public policy in relation to NI ports is critical. There are two types of ports in NI, "*Trust*" and "*Private Company*" owned ports, both operate on a commercial basis and are strategically and financially independent of government. Belfast, Warrenpoint, Londonderry and Coleraine are trust ports, whereas Larne is a privately owned port. Whatever their ownership, ports require efficient hinterland links and a planning and licensing regime which delivers decisions quickly and encourages growth.

All NI trust ports are classified as 'public corporations', despite the fact that they receive and spend no public money. This means that their borrowings have to be recorded in public accounts. This creates potential restrictions on borrowing, although these have not been experienced yet.

Trust ports have a high degree of accountability to their stakeholders, and all their board members are appointed by the NI Assembly. This is in contrast to other parts of the UK where most board members are appointed by the ports themselves. This is an area for future discussion ensuring that governance arrangements strike the right balance between commercial and accountability objectives.



The EU Dimension



The EU is a significant trading partner for ports in NI and throughout the UK. Nevertheless, the ports services regulation (PSR) currently going through in Brussels stages, represents a very unwelcome restriction on the ability of ports in NI to make market choices about service provision and charging. The assistance of NI MEPs has been much appreciated in arguing the case for the NI ports sector.



Environmental Responsibility

In terms of environmental responsibilities, NI is currently going through a process of change with the introduction of a National Marine Plan and new Marine Conservation Zones.

These follow the changes introduced throughout the rest of the UK and the passing of the NI Marine Act in 2013. In addition to participation in the management of highly protected sites, ports are also subject to a range of mainly EU derived legislation such as the Water Framework Directive, the Habitats Directive and the Marine Strategy Framework Directive. All significant developments have to go through intense environmental assessment process and a need to comply with a range of environmental controls.



NI Ports & Government

All the ports in NI have a close working relationship with the Department for Regional Development, which will be absorbed by the new Department for Infrastructure.

Discussions are currently underway on a number of important issues, including how ports assist with the Programme for Government and NI economic and investment strategies, as well as more specific issues such as corporate governance of trust ports and especially their governance guidelines.

Another dynamic unique to NI is its border with another member state and the competition from ports in the Republic. Although this creates some EU opportunities for "Motorways of the Seas" projects which require two commercial member states to be involved, the regime under the Republic allows wide commercial freedom.

This makes it particularly important that the regime in NI is right, allowing ports to operate in an optimal way.



Other NI Ports Contributions

Ports also contribute via their non-core activities including contributions to tourism, tall ships, events, apprentice and training schemes, and in the case of some, investment opportunities and job creation on port land (for example, supplying space for start-up companies).

Ports further contribute by being good corporate citizens, making charitable contributions, supporting local, rural and urban economies through spending and capital investment projects.

Creating the Conditions for Success

Looking ahead and to help NI Ports achieve their goals we are working in partnership with government to create the following conditions.

- **High priority given to roads and where appropriate rail links to ports.**
 - **A more formalised way of feeding information into transport infrastructure planning so that port priorities can be factored into decision making.**
 - **Ensuring full and fair competition with ports in the rest of Ireland.**
 - **Reconciliation of commercial freedom for trust ports with a high degree of accountability; responding to markets also helps foster flexibility.**
 - **Greater independence for trust port boards with specific expert board appointments (legal, accounting, marine experience etc) being made knowledgeable by the ports themselves under "UK Corporate Governance" principles.**
 - **Full participation in Marine Plans and designation of MCZs.**
 - **New powers to manage harbour users in the interests of navigational safety.**
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Contact Us:

David Whitehead - Director - David.Whitehead@britishports.org.uk
Richard Ballantyne - Senior Policy Advisor - Richard.Ballantyne@britishports.org.uk

Our mailing address is:

British Ports Association ©

1st Floor, 30 Park Street , London, SE1 9EQ
info@britishports.org.uk
