

DRAFT

Mr Chairman, thank you for your kind words of welcome.

You have explained that Regional Development Minister, Conor Murphy, whose responsibilities extend to ports in the North, is unable to attend today. Mr Murphy has been required to attend a meeting of the British Irish Council in Edinburgh this morning.

The Minister has asked me to convey his sincere apologies for not being able to join the Conference today. He has very good memories of the hospitality shown to him at last year's event in Killiney, and had been looking forward to the opportunity of meeting many of the key players in the Irish ports industry present today.

My Minister has asked that I deliver the speech he had hoped to make in person, reviewing port developments over the past year from a northern perspective.

The year 2007 was another good trading year for the North's commercial ports, several of which handled record

DRAFT

tonnages. There was significant growth in container traffic, reflecting the trend to unitised cargo that has been evident over the past five years. Ferry passenger numbers also grew; reversing the trend over recent years and perhaps reflecting a swing in the pendulum of competition away from the airlines.

As ever, the amount of trade passing through our ports is a barometer of the wider economy. Towards the end of 2007 trade had started to slow down. This was particularly noticeable in businesses associated with the construction sector, reflecting the dramatic downturn in the new-build housing market.

As the year 2008 has progressed, the pressures on the economy resulting from the world-wide credit crunch, and the recent rapid increase in energy costs, have been increasingly reflected in the amount of trade moving through ports across this island. I am sure that this will be the subject of many discussions at the Conference today.

DRAFT

However, despite the current difficulties, the managers of the northern ports continue to make long-term investment decisions. Such investment is necessary if our ports are to be able to cope with the changes in the shipping industry and if they are to have the capacity and the right infrastructure to handle increased trade into the future.

The Minister recently attended the opening of Stena Line's new £34 million terminal in Belfast; a development which significantly increases roll-on / roll off capacity there.

Warrenpoint Harbour has also increased its RoRo capacity as part of a major investment in harbour services.

Earlier this year, in February, its new linkspan came into operation. As part of continuing investment programmes, both these ports are currently developing enhanced deepwater facilities.

At government level, the Executive in the North is similarly looking to the future, to ensure that we have a vibrant, efficient ports sector able to support a growing economy.

DRAFT

On 29 February 2008 Conor Murphy announced the outcome of a review of the powers, governance and status of the northern trust ports. The trust ports are autonomous, statutory bodies, run for the benefit of their stakeholders, with surpluses re-invested to improve and develop their facilities. Collectively, they handle some 85% of the North's seaborne trade.

The Minister wants the trust ports to be able to respond more quickly to commercial opportunities in the future; and to be able to compete more effectively for business. He has therefore concluded that we should seek legislation that would have the effect of taking them out of the public expenditure system and the constraints on commercial judgement that involves. He also intends to provide the trust ports with a range of extended commercial powers that will enable them to use their assets more effectively for the benefit of their stakeholders.

DRAFT

At the same time, the Minister recognises the importance of ensuring that the trust ports are appropriately accountable for the significant assets which they control. This points up the need for greater transparency about their performance so that they can actively demonstrate their efficiency and effectiveness.

My Minister hopes very shortly to be able to commence public consultation on new legislation – a Harbours Bill and a range of associated Harbours Orders – that will confirm the status and new powers of the trust ports. Simultaneously, a revised Code of Practice is to be produced setting out measures in respect of good governance, accountability and transparency; and best practice in respect of board appointments.

The precise timing of the legislation, however, is dependent on assurances, ultimately from the Office for National Statistics, that the proposed legislative changes

DRAFT

will indeed have the effect of removing the trust ports from public corporation status. This is still awaited.

Increasingly, Irish companies are taking an all-island view of their business. More and more they are recognising the greater commercial opportunities that result from combining the home markets of the two economies, north and south. This trend is especially noticeable amongst those firms involved in the food, textiles, engineering and distribution sectors. Because ports are key links in the logistical chains for our open, trading economies, it makes sound economic and practical sense therefore that we look at the all-island context of our ports.

This understanding is reflected in the increasing cooperation between the governments in the North and the South on matters that will affect the future development of the ports. Such co-operation is evident on a number of fronts. I would like to highlight three of them.

DRAFT

First, the Department for Regional Development is responsible for the Regional Development Strategy which provides the over-arching strategic planning framework for the long-term development of the North's infrastructure over the period up to 2025. My Minister is presently undertaking a major review of this strategy to ensure that it delivers more positively the objectives in the Northern Executive's Programme for Government. The review should be completed by the summer of 2010.

The Regional Development Strategy serves a similar purpose to the National Spatial Strategy for Ireland. Both strategies identify the ports as gateways which strengthen and extend European and worldwide linkages; and offer major growth and employment opportunities.

The Department is therefore working closely with the Department for the Environment, Heritage and Local Government to ensure that the two strategy documents clearly identify the role of the ports, not simply as

DRAFT

docksides but as places which can enable and stimulate island-wide growth.

Secondly, access to ports and connectivity to the strategic road network across Ireland is critical to the efficiency and effectiveness of our port as gateways.

Modern commerce and industry increasingly depends on supply chains which deliver goods and services at the moment they are needed. The quick, economic and reliable movement of goods to the marketplace is therefore vital for economic development.

In Ireland the movement of goods is overwhelmingly by road. This was an issue highlighted in the recently-published Freight Transport Report for the Island of Ireland sponsored by IBEC / CBI. And it is a matter well-recognised by officials and Ministers in both administrations.

In the period up to 2018, the Ten-Year Investment Strategy for the North of Ireland indicates an investment of

DRAFT

£3.1 billion in roads infrastructure. Of this, £2.5 billion will be directed to the Strategic Road Network. These are record figures. Indeed expenditure on this scale would have been inconceivable only a few years ago.

For the first time, the South's National Development Plan makes allowance for significant government investment in north/south projects and initiatives of mutual benefit. As I am sure you know, last summer, the South's government pledged £400 million for road improvements in the North.

Both governments are working closely to reduce journey times on the Eastern Seaboard Corridor, part of the Euroroute Network linking Cork to Larne. This is the most important trade route in Ireland, linking the three main cities on the island.

Work has commenced on a 12 kilometre dualling scheme near Newry and proposals to finish dualling of the road between Belfast and Larne are well advanced. When these two schemes are completed the entire journey from

DRAFT

Newry to Larne will be on at least dual carriageway standard road.

Construction work to improve key junctions and widening works along the M1 - Westlink – M2 through Belfast should be completed by Spring 2009. This work addresses two of the most significant bottlenecks on the North's strategic road network, and will result in greatly improved access through Belfast to Larne and Belfast ports.

The investment under the National Development Plan will also assist the scheme to dual the 88 kilometre route between Derry and Aughnacloy, which then leads on to Dublin. This scheme will greatly improve transportation links between Dublin and the Northwest Gateway in Derry.

Thirdly, the Department is cooperating with the study commissioned by the Department of Transport, examining the future of Dublin Port. The terms of reference of that

DRAFT

study envisage taking into account ports capacity on an all-island basis.

In concluding, I would like to underline the key message.

A competitive, vibrant and efficient ports' sector is vital for our economy. This is as much true in difficult economic times as it is when the economy is buoyant.

I hope that it is clear from my brief remarks this morning, that the Department for Regional Development will continue to support the ports in the North to meet the challenges and realise the opportunities that lie ahead.

We will also continue to work closely with our colleagues in the South towards the development of a strong economy throughout the island of Ireland.

May I, on behalf of my Minister, Conor Murphy, wish your Annual Conference well.

Thank you