

Greencastle to Greenore Ferry Proposal

Summary of Consultation Process Undertaken

Introduction:

Frazer Ferries Limited (trading as “Carlingford Ferries”) has been working on the Greencastle – Greenore car ferry project since 2007. From 2007 through 2011 the Promoters primarily engaged in engineering, financial and navigational due diligence work.

The Promoters presented their early draft engineering drawings and plans to a public meeting of approximately 60 Greencastle residents in Grange Primary School, Greencastle on 23rd September 2011. Attendees were advised that a comprehensive Environmental Impact Assessment was about to commence. Initial views of attendees were taken into account and early stage amendments were made to the drawings. The most important amendment that resulted from this first meeting was the eastward re-location of the entire jetty and slipway.

Subsequently, between 9th and 12th February 2012, Paul O’Sullivan of Carlingford Ferries, spoke with the individual residents of Greencastle on the telephone to further garner opinions. The results of these conversations were shared with the executive of Newry & Mourne District Council.

In March 2012 as matters progressed meaningfully, Carlingford Ferries made the decision to engage the services of Stakeholder Communications to professionally advise and assist with the public consultation process. Carlingford Ferries was committed to establishing, in a formal and professional manner, the views of the local community in advance of submitting a planning application. It was identified that there was a need to formally ascertain the views of householders in the area to allow for meaningful engagement with residents, political representatives and stakeholders.

Survey:

Stakeholder commissioned its sister company, Stakeholder Event Management, to carry out an independent door to door survey. This was completed amongst 56 households in the Greencastle area between 24th and 28th April 2012. This represented all of the households on the local electoral register and a number of additional households in the Greencastle area. The manner of performing the survey was discussed with the Greencastle Area Residents Group to ensure all views were put forward and it was agreed the results would be shared with the residents committee.

The results were collated and packaged into a presentation format, a copy of which has been **enclosed**. These results were then used to ascertain general public opinion on the project- positive connotations and concerns of local residents.

56 households were engaged in the process either by receiving a face to face call or a postal survey to complete. Each household was visited between 1 to 3 times or sent postal versions of the survey with return envelopes. 80% of households responded to the questions posed. At this time, before the period of meaningful engagement commenced, 27% of households indicated they were in favour

of the Ferry, 16% were neutral or didn't have a strong opinion either way, 37.5% had concerns or were not in favour and 20% did not respond.

This independent survey also gave an indication on paper of positive comments and particular concerns residents had. The most commonly cited positive comments were the employment creating potential of the ferry and the positive potential impact on tourism. The condition of the Greencastle Pier Road and its ability to handle additional traffic were identified as the key issues of concern. There were concerns that the road was not suitable for additional traffic. These findings were used as the basis for understanding local concerns and for additional comprehensive engagement between the Promoters roads engineers and DRD Roads Service.

Consultation:

Stakeholder then worked with Carlingford Ferries in a series of meaningful engagements with residents through the Greencastle Area Residents Group. This involved meeting the committee to discuss residents' concerns and issues as well as dealing one to one with a number of residents.

A meeting between the ferry Promoters and the Greencastle Area Residents Group committee (Chairman, Secretary, Treasurer and 5 committee members) was held on Friday 12th October 2012 in Grange Primary School, Greencastle. The meeting lasted almost 2 hours 30 minutes and was comprehensive and all inclusive. All issues were openly discussed. The promoters presented the Greencastle Area Residents Group committee with the following:

1. The most up to date drawings and elevations of the proposed terminal at Greencastle;
2. A series of photomontages commissioned by Carlingford Ferries of the proposed terminal at Greencastle to help local people understand what the project would look like when completed from a series of vantage points in the locality;
3. Details of the topographic, hydrographic and hydrodynamic surveys undertaken;
4. Up to date information on the then continuing Environmental Impact Assessment;
5. Details of correspondences between the Promoters and Roads Service of Northern Ireland;
6. Formal powerpoint based presentation of results of the residents surveys undertaken by Stakeholder Event Management;
7. Background of the financial backers of the project - the O'Sullivan family from Kilrush, Co. Clare, the Mangan family from Ennis, Co. Clare and the Horgan family from Mungret, Co. Limerick. It was explained that the O'Sullivan's and Mangan's were founding members of the Killimer-Tarbert car ferry on the River Shannon in 1968, the longest running car ferry on the island of Ireland, and that they continue as shareholders of Shannon Ferry today.

The minutes of this meeting were subsequently agreed and signed off by both the Promoters and the Greencastle Area Residents Group. The minutes were subsequently placed on the Greencastle Area Residents Group website for public viewing.

In November 2012 Carlingford Ferries commissioned Dr. Pat McCloughan of PMCA Economic Consulting to prepare an independent Economic Impact Appraisal (**copy enclosed**) to outline how the proposed ferry would impact on the region in terms of employment and local spending. The report concluded that if the ferry proceeds then up to 24 full time jobs would be created and up to

300 indirect jobs. Spending in the local economy on both sides of Carlingford Lough would increase by an estimated €10 million per annum. A copy of this Economic Impact Assessment was provided to the Greencastle Area Residents Group.

In February 2013, Carlingford Ferries issued an update Newsletter (**copy enclosed**) to all residents who had asked, through the survey, to be kept informed about the process. This Newsletter was posted to all households with the view to keeping residents updated on progress. The Newsletter explained the background to the ferry proposal, work undertaken to date and its then current status. It also contained drawings of how the new pier and jetty would potentially look. The Newsletter also stated that the Promoters would be holding an information event on Friday 22nd February 2013 from 5.15pm to 8pm and invited everyone to attend. Carlingford Ferries agreed with the Residents Committee that it would hold a drop in event and a public meeting in Greencastle. In advance of the event the Promoters also issued a Letter to Editor to local and national papers about these two events and issued an invitation to local Councillors/MLAs to attend. The event was also advertised on the January/February 2013 edition of "High Tide", the Greencastle Residents Newsletter. The drop in event began at 5.15pm on 22nd February whereby all of the engineering drawings, plans and photomontages were placed on public view on the walls of the Grange School hall. The Promoters and their engineers were present to answer any questions raised. The drop in event lasted approximately 2 hours and was immediately followed by the public meeting which was attended by almost 100 people and was chaired by a local Councillor. Those in attendance at this meeting including the Greencastle Area Residents Group committee, local residents, the Promoters, the project engineers (RPS, Belfast) and local politicians, business people and other stakeholders.

Follow up email correspondence has continued and a meeting was planned after the Greencastle Area Residents Group held their AGM to elect a new committee. A suitable date is being agreed for a further face to face meeting. Up to date drawings of the proposed improvements to Greencastle Pier Road have been shared electronically with the Greencastle Area Residents Group.

Political/Stakeholder Engagement:

Stakeholder also set up and attended a host of political engagement meetings with local and national representatives at Councillor, Council official, MLA, MP and Ministerial level to discuss the project. Briefing documents (**copy enclosed**), drawings and powerpoint presentations were used. Stakeholder also arranged meetings between Northern Ireland Tourist Board and Carlingford Ferries. NITB representatives could see the tourism potential of the project and noted that the Mourne is one of NITB's key Signature Projects. NITB issued Carlingford Ferries with a letter of support as did Tourism Ireland and Failte Ireland.

At all times local Council officials were kept informed about the process and this culminated in a presentation to the full Newry and Mourne District Council on 20th March 2013.

The vast majority of the political representatives wanted reassurance that we were engaging with residents and taking their views into consideration. A number also raised the issue of the Greencastle Pier Road and the need for measures to be put in place to improve it.

Carlingford Ferries has also met with representatives of the Kilkeel Chamber of Commerce, the Kilkeel Development Association and the Kilkeel Tourist Office. They each provided letters of support, as did the Warrenpoint Chamber of Commerce.

This continuous process of engagement and dialogue has enabled the project to have a broad spectrum of political views as well as a very clear understanding of the project amongst public representatives. Comprehensive public consultation has been undertaken by the Promoters in relation to the project in the Republic of Ireland also.

In terms of “*need for the ferry*” public consultation, Carlingford Ferries carried out over 3,200 face to face surveys (**sample copy enclosed**) between February 2011 and October 2011 with members of the public at 8 locations in Co. Down and Co. Louth. The results were compelling and copper fastened the desire of the Promoters to progress with the initiative. The results confirmed the financial due diligence of the project and the long term sustainability of the service.

The project has changed significantly taking into account views and concerns of local residents and we believe the consultation carried out was both meaningful and helpful in terms of ensuring residents understand the project and the developer has taken local views into consideration in the design.

Paul O’Sullivan
Director, Carlingford Ferries
31st May 2013

Enclosures:

1. Greencastle Residents Survey (April 2012) Results
2. Economic Impact Appraisal by Dr. Pat McCloughan
3. Update Newsletter distributed in February 2012 to Greencastle residents
4. Ferry proposal - Briefing Document
5. Sample of survey of public to gauge appetite for ferry

Summary of Republic of Ireland Public Consultation

Greenore to Greencastle Ferry Proposal

Frazer Ferries Limited (trading as “Carlingford Ferries”) has been working since 2007 on the entirely private sector funded cross border car ferry proposal from Greenore, Co. Louth to Greencastle, Co. Down. From 2007 through 2011 Carlingford Ferries primarily engaged in a review of previous attempts to begin the Carlingford Lough ferry, including the Blackwell Report (1993), Ferguson McIlveen Scoping Study (1997), PWC Report (1998), Falconer Stewart Appraisal (2000) and Campbell Conway Business Case Analysis (2005). Carlingford Ferries also undertook engineering, financial and navigational due diligence exercises and worked on securing suitable and navigable landing sites on both sides of the Lough. During this time Carlingford Ferries also socialised the prospect with local interested parties. This initial work served the purpose of rationalising why Carlingford Ferries was pursuing the ferry project and the background to previous attempts at moving the project forward.

In September 2009 Carlingford Ferries agreed a legal contract to acquire a prospective landing site at Greencastle, Co. Down. Shortly after securing this they began investigating options at Greenore, Co. Louth. In October 2009 Carlingford Ferries briefed the county manager of Louth County Council on their early stage intentions in relation to establishing a ferry service across Carlingford Lough. Carlingford Ferries undertook to keep the council executive, councillors, residents and other stakeholders updated if and as matters progressed.

Carlingford Ferries noted that previous studies suggested “the Cuttings” area at Greenore would be the most obvious location for a ferry terminal on the southern shore. It was soon obvious from conversations with local knowledgeable members of the community and senior staff at Greenore Port Ltd that both residents of Greenore and Greenore Port Ltd would be particularly important consultees if it was intended to pursue the Cuttings. In early 2010 Carlingford Ferries solicitors confirmed this after an investigation of title to the Cuttings. Their report was that, according to land registry searches, the Cuttings ownership comprised both registered land and unregistered land. The registered ownerships included both Greenore Port Ltd and the Minister for Finance. Carlingford Ferries solicitors were not immediately able to establish who or how many people owned the unregistered land however it was noted following interaction with local knowledgeable parties that the residents of Greenore and the general public had been walking through, camping at and generally enjoying free access through the Cuttings for decades. As such it was clear that the potential existed of a right of way and / or some ownership interest in favour of the general public. Carlingford Ferries were aware at this time also of the plans that Greenore Port Ltd had for an expansion of their Port facilities in the vicinity of the Cuttings area. Public consultation in this regard was on-going at that stage and the proposal was also subject to An Bord Pleanála review and decision.

While the decision was made by Frazer Ferries Ltd to pursue the Cuttings as a potential ferry terminal location it was however considered prudent to consider an alternative location as well in case the Cuttings did not work out.

It was obvious that Greenore Port controlled a considerable part of the lands in Greenore. Three alternatives landing sites were investigated. The first of these was Greenore Point within the confines of Greenore Port, second was another location further inside the confines of the Port and third was an area behind the Panpak factory. Greenore Port Ltd told Carlingford Ferries that a location within the confines of the Port would not be possible for security reasons. The area behind the Panpak factory would not be viable either because of the lack of water at low tide. This just left Greenore Point as a potential location. Carlingford Ferries engineers and maritime advisors advised that Greenore Point would be viable from navigational and engineering perspectives. It was outlined that Greenore Port Ltd's interest in Greenore Point was by way of a long leasehold interest from the Minister for the Marine & Natural Resources. Greenore Port Ltd agreed to rent the area to Frazer Ferries Ltd subject to the proviso that ferry traffic would enter Greenore Point via the existing public car park adjacent to the Point and for security reasons no traffic would enter through the existing gates of the Port. In January 2011 Frazer Ferries Ltd and Greenore Port Ltd signed a legal option agreement in respect of Greenore Point.

While the foregoing agreement was being negotiated in respect of Greenore Point, Carlingford Ferries and their solicitors continued to investigate the possibility of locating at the Cuttings. RPS, Carlingford Ferries engineers produced drawings of the potential terminal at the Cuttings and various potential access routes that would not compromise safety. It was the considered view of Frazer Ferries' solicitors that the Cuttings would prove a difficult area to secure. It was agreed however to leave this option open and to engage constructively with interested parties but at the same time the other aspects of the ferry project should be moved forward in the knowledge that a potentially suitable location at Greenore Point was secured.

In May 2011 Michael Curran, Director of Services at Louth Local Authorities was briefed. Michael explained that the Memorandum of Understanding between Louth Co Co and Newry & Mourne District Council had recently been signed in Brussels and increased collaboration was hoped for as a result. The positive impact on the Cooley / Mournes region in terms of tourism and jobs was discussed if the ferry materialised copperfastened by the many letters of support Frazer Ferries had received from local businesses. Michael in turn arranged a meeting with Sinead Mullen, Senior Executive Planner and Gerry Kelly, Senior Engineer at Louth Co Co. This meeting happened on 1st June 2011 on-site at Greenore Point. Following subsequent correspondences with residents of Greenore, local Councillors and employees of Louth Co Co it was established that there could be a major problem with Greenore Point. This problem was the proposal that traffic for the ferry would enter and exit through the existing public car park adjacent to Greenore Point. Serious concerns were raised about this. It was noted that the public car park was an extremely important resource that the public use and it could not be interfered with. Carlingford Ferries subsequently spoke with Terry King of Greenore Port Ltd and inquired on the prospect of the Port allowing ferry traffic enter the Point via the existing gates of the Port. Again, for security reasons this proposal was not considered viable. As other aspects of the ferry project moved forward, this matter remained outstanding.

Frazer Ferries Ltd felt it was important to brief the main tourism agencies on the ferry project as their views may have an impact on local opinion as regards the purpose and benefits of the ferry. In June 2011 Frazer Ferries briefed Mark Henry, Director of Central Marketing at Tourism Ireland. Mark

enthusiastically welcomed the proposed ferry and reflected in writing on the opportunities it would offer in terms of employment and for tourism development and that it would enhance accessibility into the Mourne / Cooley. Also in June 2011 Kevin Moriarty, Head of Operations at Failte Ireland was briefed and Kevin stated in writing that in his view a ferry crossing across the mouth of Carlingford Lough would enhance and improve the destination area of Carlingford, Cooley and the Mourne for a range of tourists from walking, hiking, sightseeing and heritage interest.

In September 2011 following direction from Louth Co Co and NI Planning Service a comprehensive Environmental Impact Assessment began, to investigate the impact the ferry may have from the point of view of ecology, water, air, heritage, human beings, seals, birds, bats etc.

On 25th January 2012 Frazer Ferries updated local TD's, Senators and Secretarial representatives from the Departments of Finance, Tourism and Transport at an Oireachtas briefing in Leinster House.

On 23rd February 2012 Frazer Ferries met the residents of Greenore at an open evening in the Greenore Co-Op. This was a very well attended meeting that started at 7pm. The then current drawings were presented to the meeting and numerous questions were answered. The drawings of Greenore Point were presented. Significant un-resolved issues still remained over access via the public car park. Also in February 2012 Frazer Ferries briefed the local councillors within Louth County Council.

On 24th February 2012 Frazer Ferries launched the "Visit Carlingford-Mourne" iPhone App at Bagnaels Castle, Newry. The function was attended by locals, business people and political representatives from both sides of Carlingford Lough and attracted significant interest from local newspapers. It was outlined that Frazer Ferries had commissioned the development of the App as an important tool for the tourism promotion of both sides of Carlingford Lough from the Boyne Valley to Newcastle, Co. Down.

The months that followed primarily consisted of continued Environmental Impact Assessment work. Engagement with stakeholders continued but was more sporadic as Frazer Ferries had no material updates until the EIA came towards conclusion.

On 5th Oct 2012 Frazer Ferries met with Greenore Residents & Tidy Towns Committee and explained the project's then current status. At that meeting it was confirmed that Frazer Ferries would investigate the Cuttings further. The problem of disparate ownership interests, claimed ownership interests and / or other rights to that area was outlined but Frazer Ferries indicated it was willing to engage on a one to one basis with particular individuals who claimed rights over parts of the Cuttings. At that meeting names were given of people who should be particularly contacted and who may have specific rights over parts of the Cuttings.

Carlingford Ferries met with the Greenore – Greencastle Community Development Ltd on 15th Oct 2012 in Greenore. The project was again discussed and up to date drawings and elevations shared. Also in attendance were members of the Greencastle Boat Club who had questions and concerns about their moorings if the ferry materialised. Frazer Ferries has since taken on board these concerns and agreed a ferry route that would be east of Green Island thus avoiding most moorings.

On 10th January 2013 Frazer Ferries met a number of individuals collectively who wished to discuss certain rights that they may have over parts of the Cuttings. The individuals did not assert specific rights at that meeting but did request that Carlingford Ferries meet with them individually to further discuss each individual's position. Following this meeting Carlingford Ferries formed the strong view that finding a solution to the potential issues raised, in addition to agreeing access and rights at the Cuttings with both the Minister for Finance, Greenore Port Ltd and the general public would be onerous and would take considerable time as multiple issues would have to be resolved. On 20th February 2013 the board of Frazer Ferries decided reluctantly to drop the Cuttings as a potential landing site for the ferry. The Greenore Residents and Tidy Town Committee and the Greenore-Greencastle Community Development were advised of the decision.

Frazer Ferries held a further open evening on May 25th, 2013 in the Greenore Co-Op. Final planning submission drawings and elevations were on display. The history of the project was again outlined as was the work done in terms of deciding on Greenore Point as the most achievable landing site. Specifically outlined at that meeting was that agreement had been reached with Greenore Port Ltd to move the main gates of the Port back by 15 meters in order to allow ferry traffic enter and exit Greenore Point without traversing the public car park and without compromising the Port's security in anyway. There was a general approval of the efforts made to find an alternative means of entering and exiting Greenore Point. Subsequent to this Carlingford Ferries shared with the Greenore Residents and Tidy Towns Committee and Greenore-Greencastle Community Development the photomontages that it had developed to show from particular vantage points how the ferry terminal development would look if and when completed.

Frazer Ferries engaged in an open and productive manner with all interested parties throughout the process in an effort to keep interested parties up dated. It made best efforts at all times to engage constructively. All views expressed were taken into account. Frazer Ferries hopes that the Greenore and wider Cooley communities will support and benefit from the Carlingford Lough ferry.

Paul O'Sullivan
Director, Carlingford Ferries
8th June 2013

Greenore to Greencastle Ferry

Greencastle Residents Door-to-Door Survey Findings

Conducted by
Stakeholder Communications



Background

- * Door-to-Door household survey carried out by Stakeholder Event Management between 24th-28th April 2012 in Greencastle
- * Stakeholder experience in conducting community consultation includes Airtricity, O2, Belfast City Airport, arc21, Titanic Quarter
- * Surveys not returned were reissued by post in May 2012 and again in June in some cases

- * Each of the households on the local electoral register and a number of additional households were visited between 1-3 times or sent postal versions of the survey with return envelopes.

Community Surveys

- * Residents were asked for their views on a series of issues relating to the proposal for a car ferry service between Greencastle and Greenore.
- * Do you see value in a cross border transport mechanism?
- * Would you visit ROI/NI if it was a 15 min boat trip away?
- * Do you think this area would benefit from increased investment, tourism and potential for job creation?
- * Do you support the proposal for a car ferry service between Greencastle and Greenore?
- * If yes- why
- * If no- why
- * Would you be interested in being kept up to date with information about the service and trying it out?



GREENCASLE RESIDENTS SURVEY

ABOUT PROPOSED CROSS BORDER CAR FERRY SERVICE

Date:

Time:

Name:

Address:

Do you see value in a new cross border transport mechanism? YES NO

Would you visit ROI/NI if it was a 15 min boat trip away? YES NO

Do you think this area would benefit from increased investment, tourism and potential for job creation? YES NO

Do you support the proposal for a car ferry service between Greencastle and Greenore?

If yes - why.....

If no- why not.....

Would you be interested in being kept up to date with information about the service and trying it out?

If Yes please enter your preferred contact details.....

Results

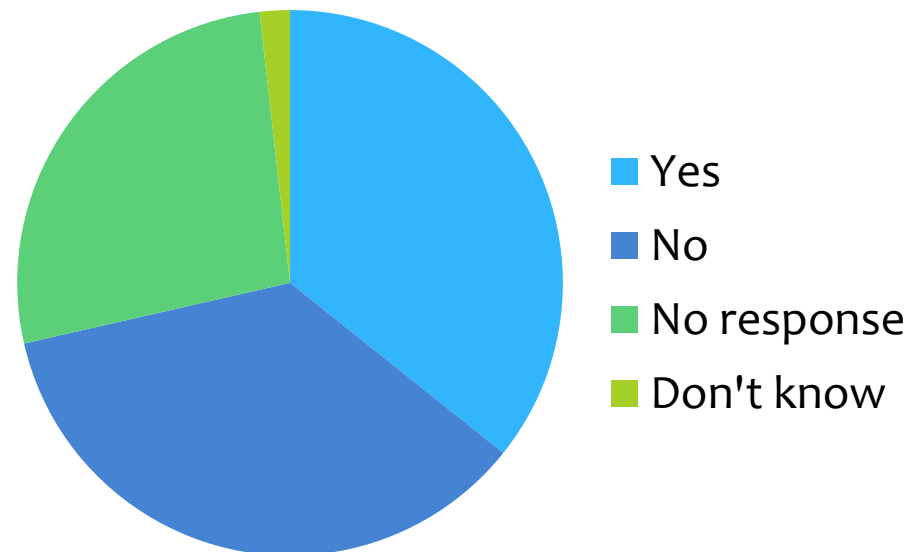
- * 56 households engaged
- * 45 households responded- 80%
- * 9 households were not available, were not in when visited or did not respond by 12th June to postal version
- * 2 other registered properties were not occupied or up for sale

Question 1: Results

* Do you see the value in a new cross border transport mechanism?

- * 56 households engaged
- * Yes: 20
- * No: 20
- * No response or didn't answer question: 15
- * Don't know: 1

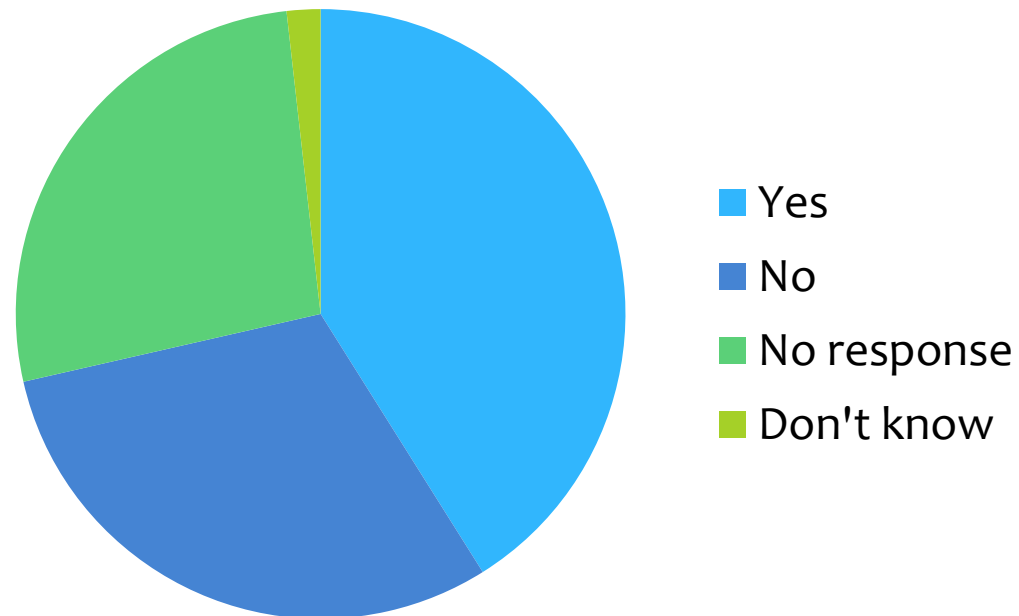
Results



Question 2: Results

Would you visit ROI if it was a 15 minute boat trip away?

Results



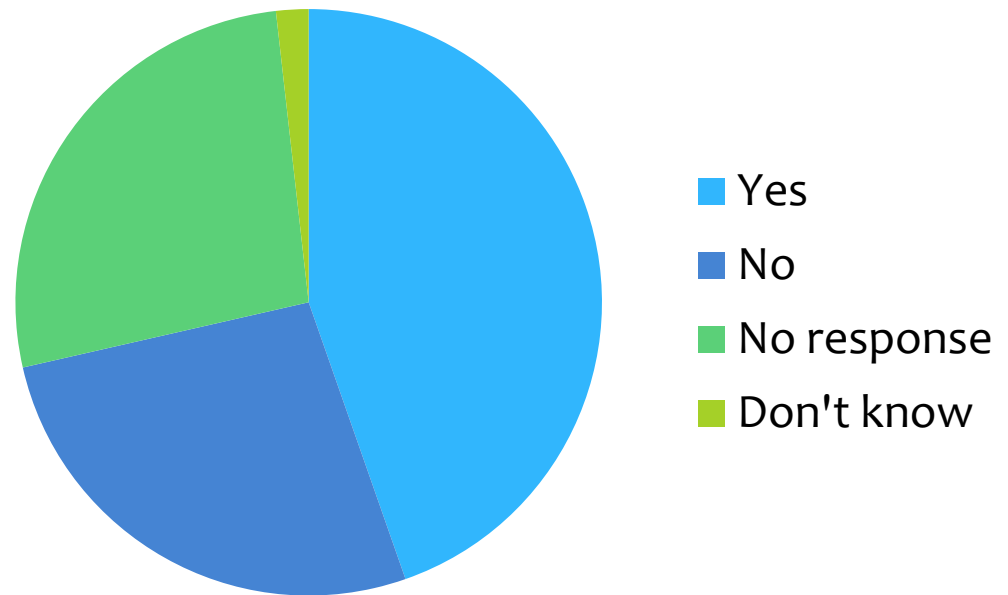
- * 56 Households engaged
- * Yes: 23
- * No: 17
- * No response/didn't answer questions: 15
- * Don't know: 1

Question 3: Results

Do you think this area would benefit from increased investment, tourism and potential for job creation?

- * 56 Households engaged
- * Yes: 25
- * No: 15
- * No response/didn't answer questions: 15
- * Don't know: 1

Results



Question 4: Results

Do you support the Proposal for a Car Ferry Service between Greenore and Greencastle?

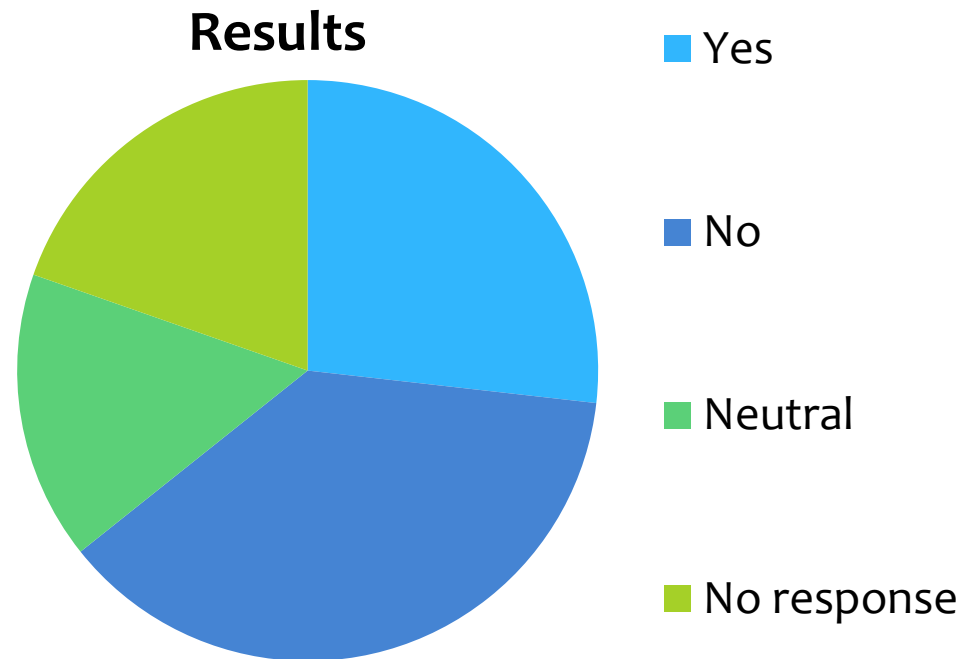
* 56 households engaged

* Yes: 15 27%

* No: 21 37.5%

* No strong opinion
or neutral : 9 16%

* Didn't respond: 11 20%



Positive Comments:

Below is a list of unprompted positive comments about the benefits the Ferry service would bring to the area and how many times they were listed:

56 households engaged:

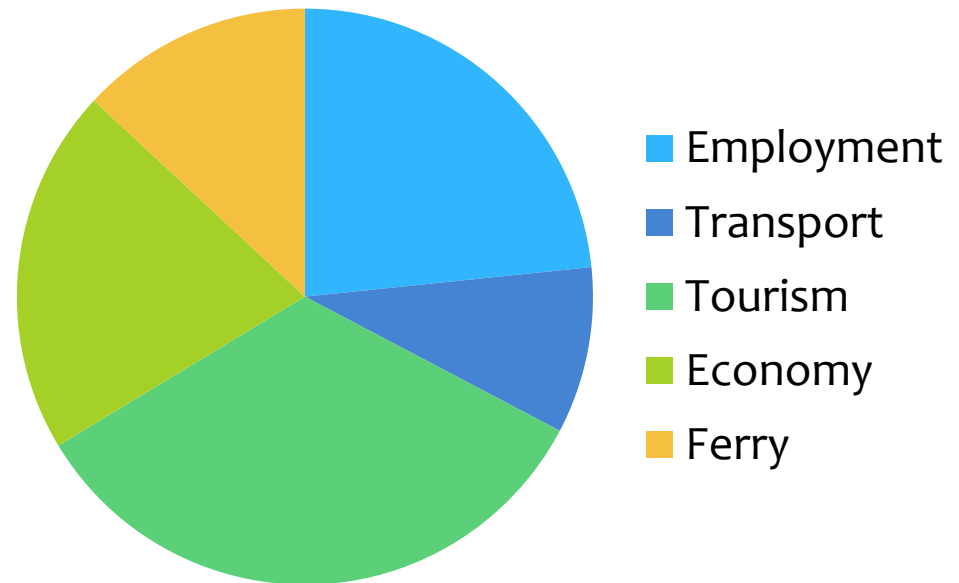
- * Would create Employment: 7
- * Would improve local Economy: 6
- * Improved transport links to Rol: 3
- * Improve tourism: 10
- * Ferry generally good idea 4
- * Most people who are in support of the ferry service also highlighted the need for upgraded infrastructure/road improvements

Positive Comments:

56 households engaged:

- * Would create Employment: 12.5%
- * Would improve local Economy: 11%
- * Improved transport links to Rol: 5%
- * Improve tourism: 18%
- * Ferry generally good idea 7%

% of households



Residents Concerns:

Below is a list of unprompted issues which have been highlighted by residents and how many times they were brought up:

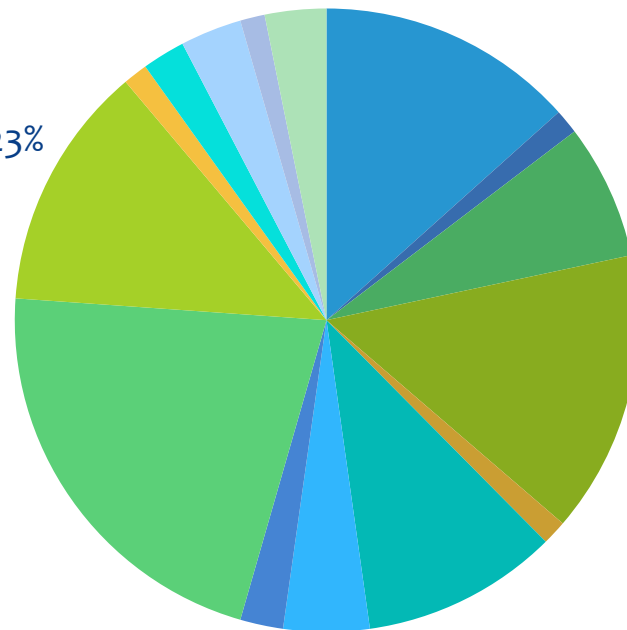
- * Quiet, rural area- 12
- * Not enough street lighting- 1
- * Noise/Light pollution- 1
- * Road needs to be upgraded/access issues- 13
- * Would prefer smaller scale- 1
- * Not commercially viable- 9
- * Threat to farms- 4
- * Concerned about lorries- 2
- * Increased traffic- 19
- * Wildlife/environment- 11
- * Will not assist cross border travel- 1
- * Lack of consultation- 2
- * History of area-3
- * Increased crime 1
- * Devalued properties- 3

Residents Concerns:

Below is a list of issues which have been highlighted by residents and how many times they were brought up:

- * Quiet, rural area- 21%
- * Not enough street lighting- >2%
- * Noise/Light pollution- 11%
- * Road needs to be upgraded/access issues- 23%
- * Would prefer smaller scale- >2%
- * Not commercially viable- 16%
- * Threat to farms- 7%
- * Concerned about lorries- 3.5%
- * Increased traffic- 34%
- * Wildlife/environment- 20%
- * Will not assist Cross border travel- >2%
- * Lack of consultation- 3.5%
- * History of area-5%
- * Increased crime >2%
- * Devalued properties- 5%

% of responses



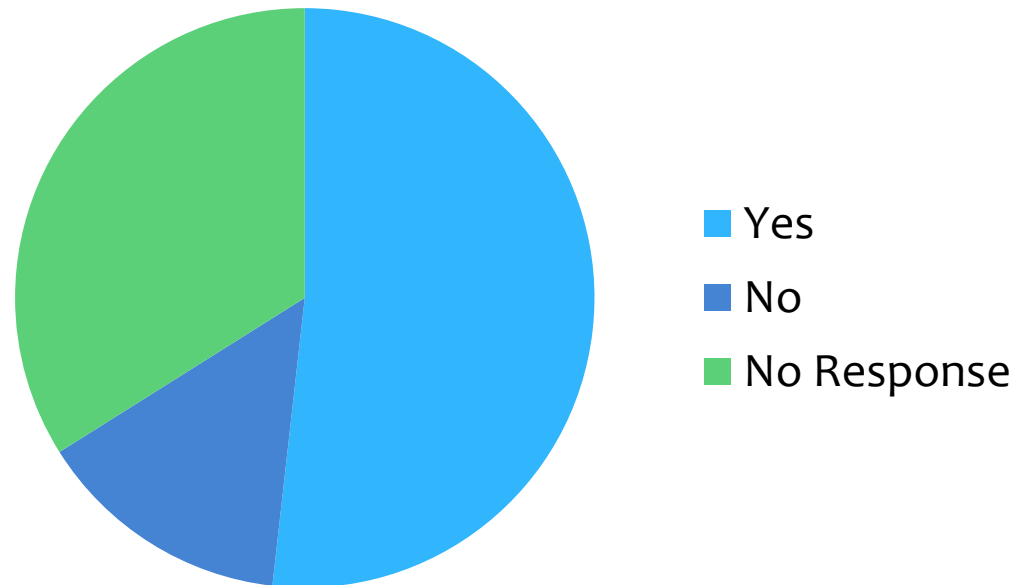
- Rural area
- Not enough lighting
- Noise/Light pollution
- Road
- Would prefer smaller scale
- Not viable
- Threat to farms
- Concerned about lorries
- Increased traffic
- Wildlife/environment
- Will not assist Cross border travel
- Lack of consultation
- History of area
- Increased crime
- Devalued properties

Keeping in Touch

- * Respondents were asked: **Would you be interested in being kept up to date with information about the proposed service and trying it out?**

- * Respondents: 56
- * Yes: 29
- * No: 8
- * No indication either way or no response: 19

Results:



ECONOMIC IMPACT APPRAISAL OF CARLINGFORD LOUGH CAR FERRY

Study Prepared for:



By:

Dr. Pat McCloughan

Managing Director

PMCA Economic Consulting

PMCA ECONOMIC CONSULTING

04 December 2012

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Executive Summary

Overview

This report is prepared for Carlingford Ferries by Dr. Pat McCloughan, Managing Director of PMCA Economic Consulting. It provides an external economic impact appraisal of the proposed Carlingford Lough Car Ferry.

The car ferry will operate all year round between Greenore in Co. Louth and Greencastle in Co. Down based on a likely capacity of between 30 and 40 cars. The project is a private sector initiative and no public funds or subsidies are being sought (it is therefore not in competition with any other project for public funds). The project backers have extensive experience of the car ferry business combined with professional financial skills and marketing experience. They have invested significant resources into the project since 2006 and have commissioned this report to identify and quantify the economic impacts of the project.

As no public funds are involved in the project, a cost-benefit analysis is not needed here. Further, this report is not a business case or feasibility study of the financial or commercial merits of the proposal. Rather, the focus in this study is on the wider economic impact of the proposed car ferry.

The overall finding is that the ferry will have a significant economic impact in the cross-border Carlingford Lough region, with substantial benefits accruing in terms of jobs and spending. The ferry will serve to open up the whole region, enabling circular itineraries where visitors will be able to traverse both sides of the lough. On the doorstep on the proposed project is the Dublin-Belfast Corridor, with a population of 2.3 million people – no other ferry service on the island has access to such a large population, which is even greater again when once factors-in the region's proximity to the UK and Europe by virtue of the international airports at Belfast and Dublin, plus the seaports in the Corridor. The proposed ferry will therefore build on the comparative assets of the region and complement other initiatives (planned and underway), including Narrow Water Bridge, thereby helping to make the cross-border a more attractive and cohesive visitor destination, with sustained jobs being the primary economic dividend.

It is estimated that the ferry has the potential to give rise to and sustain at least 300 direct and knock-on jobs in the region with annual spending of at least €10m. These figures represent a significant boost to the local economies in Louth, Newry and Mourne, and the Down District Council area, and elsewhere in the north eastern part of the island.

In addition to the estimated substantial jobs and spending impacts, the proposed ferry will also serve to enhance inter-community relations, quality of life and access to services, thereby having social/cultural benefits as well as a significant economic dividend in the cross-border region.

Project Perspectives

Broadly speaking, the project is timely on a number of fronts:

- The normalisation of the political environment in Northern Ireland and the greater appreciation of the cross-border dimension to economic development on the island;
- The need to develop tourism in the cross-border Carlingford Lough region and the specific contribution of a car ferry, which has been an aspiration for many years; and
- The importance of leveraging the comparative assets of the region to promote the local economy and jobs in the region through tourism development.

In the cross-border Carlingford Lough region, these perspectives are being brought together through cooperation between Lough County Council and Newry and Mourne District Council, crystallised in the Memorandum of Understanding signed between the two local authorities in Brussels in March 2011. This unique and historic agreement among local authorities in different jurisdictions was commended by officials from the European Commission at its signing. Tourism is one of the four cooperation themes of the MoU and the recent funding announcement for Narrow Water Bridge represents a significant achievement for the cooperation framework.

The proposed car ferry will complement Narrow Water Bridge, thereby completing the circular route around the cross-border region. It will also complement other visitor facilities and initiatives in the region (of which there are many, planned and underway), making the region a cohesive tourism/visitor destination, capitalising on its comparative assets (which include its favourable location on the Dublin-Belfast Corridor, access to transport links and natural scenery, which represents a key reason why visitors come to the island of Ireland).

Economic Need

The economic need of the project is based on addressing the tourism underperformance of the region and fulfilling its significant tourist potential, which today is duly recognised by policymakers and the tourism development agencies North and South.

In the past, the Troubles, poor access and underselling stifled the development of tourism in the region. Today, the landscape is very different and there is now due recognition of the potential for tourism to contribute to job creation in the region.

According to Carlingford Tourism Office, visitor enquiries increased by 52% between 2006 and 2010 and, as shown by new survey evidence provided by the project backers, there is a large body of people who would traverse the lough if the infrastructure existed.

PMCA understands that senior representatives from Fáilte Ireland, the Northern Ireland Tourist Board and the island-wide tourism promotion body Tourism Ireland have expressed strong backing for the project, in the form of letters of support.

The tourism potential of the region underpinning the economic need for the project is driven by demand and supply considerations, namely:

- Supply drivers;
 - The region is rich in the type of tourism product attracting visitors to the island (namely hill-walking and outdoor activities)
 - It has an expanding stock of visitor accommodation
 - The ferry will serve to open up the cross-border region, creating circular itinerary routes and enhancing the visitor attraction, thus appealing to a broader range of visitors
- Demand drivers;
 - Car ferries elsewhere on the island do not have the same catchment population as that of the Carlingford Lough region nor the same density of transport infrastructure making access to the region much more convenient compared with years gone by
 - Recognition of the region as a strong tourism destination is manifested by the strong promotional campaigns now been given to the region (as a signature destination on the island)

According to the 'Carlingford Visitor Survey 2011' (carried out by researchers from Dublin Institute of Technology, DIT), Carlingford Lough is currently a high quality niche destination but with significant growth potential that can be achieved in a managed and sustainable way that will not compromise the environment or the unique attractiveness of the area. To grow, according to the DIT study, the area needs to provide additional high quality activities, services and amenities for new and repeat visitors alike, and these should be proactively marketed to attract the attention of new visitors who otherwise might not be familiar with the area and its attractions.

Management at Carlingford Tourist Office have commented that one of the most frequently asked questions by visitors to the area is:

“Is there a car ferry across Carlingford Lough?”

This accords with the DIT 'Carlingford Visitor Survey 2011', which also reveals that the car constitutes by-far the main means of transport to and around Carlingford – 88% of those surveyed arrived in Carlingford by car (own car or rental/hire car) and 73% toured around Carlingford by car (own car or rental/hire car). This illustrates the latent demand for the project.

In regard to opportunities for development, the DIT study states that:

“Carlingford & the Cooley Peninsula’s USPs are in the areas of Adventure Tourism, Walking, Heritage, Festival/ Events & Food and thus the area should focus on these key niche market segments, targeting in particular visitors living within a 90 minute radius as a first priority.”

The proposed Carlingford Lough Car Ferry is consistent with this statement and accords with visitors’ curiosity and apparent demand for a car ferry.

With Narrow Water Bridge, Carlingford Lough Car Ferry would specifically join-up the Mourne and the Cooley Peninsula, two destination-rich areas on each side of Carlingford Lough. It is the ability to connect and market one destination rather than two separate and distinct locations that particularly appeals to Tourism Ireland and a call for greater coordination of the promotion of tourism destinations on the island has recently been voiced by Padraic White, Chairman of the Louth Economic Forum and a former Managing Director of IDA Ireland.

A number of previous studies have concluded that a car ferry on Carlingford Lough would be feasible. For example, the study by Campbell Conway Consulting (2005) estimated that a car ferry could stimulate additional tourist traffic into the region of 50 AADT (annual average daily traffic), which we calculate could see an additional 36,500 visitors to the region. The estimated additional 36,500 visitors represents 13.6% of the total number of visitors to Louth in 2010 and 4.1% of the number in Newry and Mourne, meaning a substantial uplift afforded by the car ferry.

New Survey Evidence Illustrating Strong Demand for the Project

As further evidence of the need for the car ferry, the backers carried out a substantial number of face-to-face interviews during 2011 to establish various aspects of need and demand.

The new survey data reveals a strong level of support for the proposed ferry link.

Of the 3,200 people surveyed, between 72% and 90% said they would either “welcome” or “very welcome” the introduction of the Carlingford Ferry from Greenore to Greencastle. Less than 2% expressed objection to the link. An average of 70% of those surveyed said they would use the ferry.

The 3 key reasons for using the Carlingford Lough Car Ferry from the survey are:

- “Enhance accessibility between the Mourne and Cooley area”;
- “Provide a novelty attraction of using a ferry on a scenic location (uniquely in a cross-border context)”;
- “Shorten journey times and avoiding the Newry congestion (practicality of the ferry)”.

Potential Economic Impact

It is estimated that on-site employment from the car ferry will be 24 FTEs. More significant will be the knock-on impact in the form of off-site employment, which will see the development of tourism in the region.

In the narrowest geographic market definition, comprising Louth and Newry and Mourne (the local authority areas bounding Carlingford Lough), it is estimated that the off-site employment impact of the ferry will range from 20 to 120 FTEs, depending on the ferry service stimulating an uplift in tourist numbers into the market (so-defined) of between 0.5% and 3% respectively (the latter estimate is, PMCA believes, achievable). This implies a total (on-site and off-site) employment impact of between 44 and 144 or an average of 94 FTEs in the narrowest geographic market definition comprising Louth and Newry and Mourne. The corresponding spending required to sustain these jobs is estimated at between €1.17m and €4.52m per year or an average of €2.84m per year.

In the wider geographic market definition, including the Down District Council area in addition to Louth and Newry and Mourne, the economic impacts are correspondingly even higher. Total (on-site and off-site) employment is estimated at 98-471 FTEs or an average of 284 jobs, with corresponding spending in the region averaging €9.8m based on an estimated range of almost €2.98m to €15.4m per year.

However, the geographic area in respect of Carlingford Lough is likely to be even greater than this. In the case of the Dublin-Belfast Corridor, and based on the above estimates, it is not unreasonable to expect that the car ferry would help to deliver at least 300 jobs and spending of over €10m per year in the region.

A summary of the potential jobs and spending impacts associated with the geographic market delineations is given in the table below. These show the substantial economic impact of the proposed ferry service, in terms of jobs and spending in the cross-border region.

Summary of the Estimates of the Employment and Spending Impacts of the Proposed Carlingford Lough Car Ferry in Different Geographic Market Delineations

| Geographic Market Definition | Total Employment (FTEs) | | | Spend per Year (€) | | |
|--------------------------------|--|-------|---------|--------------------|------------|-----------|
| | Lower | Upper | Average | Lower | Upper | Average |
| Louth and Newry/Mourne | 44 | 144 | 94 | 1,168,317 | 4,516,807 | 2,842,562 |
| Louth, Newry/Mourne and Down | 98 | 471 | 284 | 2,979,423 | 15,383,442 | 9,181,433 |
| <i>Dublin-Belfast Corridor</i> | <i>At least 300 jobs and over €10m annual spending in the region</i> | | | | | |

Source: PMCA.

Other Impacts

PMCA believes that the Carlingford Lough region has the potential to become a major tourist destination on the island, given its favourable location on the Belfast-Dublin Corridor, access to population and its natural scenery.

By linking the two sides of Carlingford Lough, the car ferry will also facilitate improved inter-community relations and access to services, thereby enhancing the quality of life for people residing in the region.

Concluding Remarks

A car ferry on Carlingford Lough has been an aspiration for well over 25 years. The backers of the project – Carlingford Lough Car Ferry – have brought the concept to a level not seen previously using purely private funding.

In conclusion, the reasons for supporting the ferry are as follows:

- Economic impact – in terms of direct and knock-on jobs, the project has significant employment potential (we would envisage at least 300 jobs being created and sustained in the region as a result of the proposed Carlingford Lough Car Ferry);
- This will also entail annual spending in the region at least €10m;
- It will open up the cross-border region and both sides of the lough will benefit;
- The initiative is not reliant on any public money and therefore not in competition with any other project for scarce public monies;
- The backers of the project, who have committed significantly to its development, have extensive experience of the ferry business;
- The project will reduce journey times and the cost associated with traversing the cross-border region;
- The ferry will help to link the communities closer together and provide new opportunities for business by effectively expanding the market;
- There is strong support from potential users of the ferry service; and
- It will be a further signal of the strides that have been in the Peace Process.

Glossary of Abbreviations

| | |
|-----------------------|--|
| AADT | Annual average daily traffic. |
| B&B | Bed and breakfast. |
| BMW Region | Border Midland and Western Region of Ireland (NUTSII). The Border Region within the BMW is a NUTSIII region (Ireland is a NUTSI region in EU terminology). |
| CCC | Campbell Conway Consulting (author of a previous feasibility study of a car ferry service over Carlingford Lough between Greenore and Greencastle, 2005). |
| Charter | Charter of Commitment to Cross-Border Cooperation (signed by a number of public and private sector stakeholders in April 2011, at the Ballymascanlon Hotel in Co. Louth, following the signing in Brussels of the MoU between Louth County Council and Newry and Mourne District Council in March 2011). |
| CSO | Central Statistics Office. |
| DIT | Dublin Institute of Technology. |
| EBR | East Border Region Ltd. |
| EU | European Union. |
| FDI | Foreign direct investment. |
| FI | Fáilte Ireland. |
| FTE | Full-time equivalent (jobs). |
| GB | Great Britain. |
| HCV | Heavy commercial vehicle. |
| LEF | Louth Economic Forum. |
| MoU | Memorandum of Understanding (signed by Louth County Council and Newry and Mourne District Council in Brussels, March 2011). |
| NI | Northern Ireland. |
| NISRA | Northern Ireland Statistics and Research Agency. |
| NITB | Northern Ireland Tourist Board. |
| NSMC | North-South Ministerial Council. |
| PMCA | PMCA Economic Consulting. |
| S&E Region | Southern and Eastern Region – the other NUTSII Region in Ireland, in addition to the Border Midland and Western (BMW) Region. |
| SEUPB | Special European Union Programmes Body. |
| STEAM | Scarborough Tourism Economic Activity Monitor (used by local authorities in Northern Ireland and Great Britain). |
| TDP | Tourism Development Plan (an initiative by EBR, the East Border Region Ltd.). |
| USP | Unique selling point. |

Acknowledgements and Disclaimer

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Disclaimer

This report is the sole responsibility of PMCA Economic Consulting. By virtue of preparing the report or otherwise in connection with this study, PMCA will not assume any responsibility or have any liability to any third parties.

1 Introduction

1.1 Purpose of the Report

This report is prepared for Carlingford Ferries by Dr. Pat McCloughan, Managing Director of PMCA Economic Consulting (hereinafter PMCA), and provides an external economic impact appraisal of the proposed car ferry on Carlingford Lough – Carlingford Lough Car Ferry.

As part of the assessment of the economic need and impact of the proposed car ferry, the study gives an overall perspective of the contribution that the project would make to economic development and jobs in the cross-border Carlingford Lough region.

The study is not a business case or feasibility report on the financial or commercial merits or otherwise of a car ferry on Carlingford Lough; rather it is concerned with the wider economic impacts of the proposed car ferry, which are primarily tourism development and jobs.

The proposed car ferry will operate all year round between Greenore in Co. Louth and Greencastle in Co. Down based on an anticipated capacity of 30-40 cars. The project is a private sector initiative and no public funds or subsidies are being sought as part of the development process (meaning that a cost-benefit analysis is not needed here). The backers behind the project have extensive experience of the ferry business elsewhere on the island of Ireland plus professional financial skills and marketing experience. They have invested significant resources into the project over a number of years and have commissioned this report to evidence the economic impact of the project.

1.2 Background and Project Perspectives

There are three broad perspectives motivating the proposed car ferry:

- The normalisation of the political environment in Northern Ireland (NI) and, following from this, the greater appreciation of the cross-border dimension to economic development on the island;
- The need to develop tourism in the cross-border Carlingford Lough region and the specific contribution of a car ferry, which has been considered in previous studies; and
- The importance of leveraging the comparative assets of the region to promote the local economy and jobs in the region through tourism development.

Overall, it is widely held that the region has significant tourist potential, enhancing the prospects for jobs in the coming years. However, tourism has underperformed in the region and this is evident in the facts presented subsequently in the report. The tourism underperformance has reflected a mix of factors in the past, including the Troubles, lack of infrastructure (making it difficult to traverse the cross-border Carlingford Lough region) and the lack of promotion of the region as a visitor destination.

Happily, the factors that stunted tourism are gone or are being addressed, and much progress has been by Louth County Council and Newry and Mourne District Council working together cooperatively.

A significant recent development was the announcement on 24 October 2012 that Narrow Water Bridge is to be funded in full under the EU INTERREG IVA Programme. The location of the bridge, which will be completed by June 2015 under the funding agreement, will be approximately 12 miles upstream (over the Newry River, between close to Omeath and near Warrenpoint) from the proposed ferry crossing between Greenore and Greencastle, and both initiatives will together act as a significant catalyst for economic development and jobs in the region, by bringing in substantial additional visitors to the region.

Stability and Appreciation of the Potential for Greater Cross-Border Cooperation

The normalisation of politics in NI and the improved relationships between the two parts of the island following the Good Friday or Belfast Agreement have created vastly improved mobility and a new positivity towards cross-border initiatives. The historic 1998 agreement identified six areas relating to economic development for North/South cooperation, namely agriculture, education, environment, health, transport and tourism.

Tourism represents a major opportunity for cross-border cooperation and this is manifested in part by the formation of Tourism Ireland by Fáilte Ireland (FI) and the Northern Ireland Tourist Board (NITB). Tourism is a non-contentious area of economic cooperation and today there is greater recognition of the mutual benefits that can flow to both parts of the island in a genuine 'win-win' situation from greater cooperation of tourism promotion and the joint provision of tourism infrastructure. Narrow Water Bridge will occur as part of the tourism and recreation cooperation themes under the historic Memorandum of Understanding (MoU) signed in Brussels in March 2011 between Louth County Council and Newry and Mourne District Council (the MoU was duly commended by senior officials from the European Commission as being the first of its kind in the European Union, EU).¹

Tourism is one of the sectors of the economies of Ireland and NI showing signs of growth. According to a recent cross-border study:²

"The challenge for tourism in Ireland and [NI] is to build on its new momentum. The evidence strongly suggests that, to attract the optimum return from off the island markets, more collaboration is needed on the island...[targeting] middle classes in Asia and the 20/30 year old segment in Europe".

The importance of tourism is duly recognised by both administrations on the island. In the South, the government's 'Action Plan for Jobs 2012' published earlier this year observes that (p. 97):

"Tourism is one of Ireland's most important economic sectors and has significant potential to play a key role in Ireland's economic renewal. As well as being our longest-standing source of service export earnings, it generates employment for a range of skills levels across the country...There are 180,000 people employed in the tourism and hospitality sector in Ireland across accommodation, restaurants, transport, tourist attractions etc. Tourists also increase the payback from infrastructure and facilitate the efficient use of services".

Similarly, in its 'Northern Ireland Tourism Strategy – Supporting Evidence', the Department of Enterprise, Trade and Investment observes that (p. 2):

"Northern Ireland has enjoyed 10 years of growth in tourism and is now seen as an industry that can make a significant contribution to the economy of the country...Tourism can contribute hugely both to the economy and the quality of life in Northern Ireland. It touches everyone and can benefit everyone. This also means that many people need to work together to achieve success; government departments, agencies, businesses, local authorities and the people of Northern Ireland. They all need to support and welcome tourism and this strategy invites them to do that".

Building on the report by the Tourism Renewal Group and the 'Trading and Investing in a Smart Economy: A Strategy and Action Plan for Irish Trade, Tourism and Investment to 2015' for Ireland and the 'Tourism Strategy for Northern Ireland to 2020', the island-wide tourism body Tourism Ireland makes the following points in its Corporate Plan 2011-2013 (pp. 2-3):

¹ See Box 1.1 overleaf for further details of the MoU and developments since the signing in Brussels.

² 'Delivering A Prosperity Process: Opportunities in North/South Public Service Provision', The Centre for Cross-Border Studies (May 2012).

“We need to work together to ensure that visitors are provided with things to see and do and unique and compelling stand-out reasons to visit...The challenge for the industry on the island of Ireland is to ensure that the holiday offering represents an excellent experience and offers value for money...The direct economic contribution of tourism to the island of Ireland equates to 3.3% of GDP in Ireland, while tourism directly contributes 2.1% of GDP in Northern Ireland...Tourism is also an important source of employment, supporting an estimated 229,000 jobs on the island of Ireland in 2009”.

According to recently released data from the (Irish) Central Statistics Office (CSO) (September 2012), the number of overseas trips to Ireland by non-residents increased from 6.1 million in 2010 to 6.6 million trips in 2011, representing an increase of 7.9%. The largest increase in overseas visitors was by residents from Europe (excluding Great Britain, GB), who made 238,000 additional trips in 2011 compared to 2010, an increase of 11.4%. The number of overseas trips made to Ireland by residents of GB increased by 123,000 (4.4%) in 2011. Spending by overseas visitors to Ireland increased by 0.7% between 2010 and 2011, from €3,556m to €3,580m.³

According to the Department of Enterprise, Trade and Investment, during 2011, 1.5m overseas visitors spent at least one night in NI, an increase of 4% compared with 2010. Overseas visitors to NI spent an estimated £368m in 2011, an increase of 20% compared with the previous year.⁴

The new momentum presented by tourism and the genuine potential stemming from enhanced cross-border cooperation in tourism arising from political stability provides the backdrop and trigger to the proposed Carlingford Lough Car Ferry proposal.

The proposed project will be in keeping with, and will complement, the joint initiatives of Louth County Council and Newry and Mourne District Council in respect of developing tourism in the region (including Narrow Water Bridge). It will also add extra value to the visitor attractions in the area, given that the north eastern part of the island is currently receiving greater promotion nationally and internationally by Tourism Ireland, FI and the NITB – as a signature destination (the region includes the wider Cooley-Mournes-Gullion area and the Boyne Valley to the south).

³ On the other hand, trips and spending by residents in Ireland abroad fell during 2010-2011, reflecting the economic challenges in the country. According to the CSO, the number of overseas trips made by Irish residents fell by 4.2%, from 6.7m trips in 2010 to 6.4m trips in 2011. Total overseas tourism and travel expenditure of Irish residents declined by 7.2%, from €5,211m in 2010 to €4,835m in 2011. The data are available at http://www.cso.ie/en/media/csoie/releasespublications/documents/tourismtravel/2011/tata_2011.pdf.

⁴ The data are available at http://www.detini.gov.uk/2011_tourism_performance_estimates.pdf.

Box 1.1: Cross-Border Cooperation between Louth County Council and Newry and Mourne District Council

The widely acclaimed MoU sets out the basis of the Strategic Alliance between the two local authorities, which will support and promote economic development and jobs in the cross-border north eastern part of the island.

The key objectives of the Strategic Alliance between Louth County Council and Newry and Mourne District Council are to:

- Promote, strengthen and stimulate the social, cultural and economic links within and between the peoples of the region;
- Provide an enabling framework to promote the region more effectively for inward investment and open up further opportunities for the sharing of services and coordinated management of key resources;
- Consolidate the long-established working relationships between the parties, positioning them on a strategic long-term footing, and with an outward-looking focus;
- Coordinate core functions of the parties in selected areas of co-operation;
- Enhance the leadership position of the parties within the cross-border region and bolster their influencing and coordinating role for the benefit of the entire community;
- Develop links with other local authorities and regional stakeholders.

The Strategic Alliance incorporates four cooperation themes:

- Emergency;
- Renewable Energy and Green Technology;
- Tourism and Recreation;
- Sustainable Economic Growth and Job Creation.

Progress on the Strategic Alliance has included the following developments.

First, the signing of the MoU, the first of its kind in Europe, in Brussels in March 2011. The following April – at a special function in Louth – attended by Pat Cox, former President of the European Parliament, the wider stakeholder community, including representatives from the North South Ministerial Council (NSMC), the Special EU Programmes Body (SEUPB), East Border Region Limited (EBR), local chambers of commerce, service providers, and the community and voluntary sector, signed up to a Charter of Commitment to Cross-Border Cooperation.

Second, a European/Economic Office has been established under the Directorship of Michael Curran, Director of Economic and Cross-Border Development within Louth County Council. The function of this new initiative (with offices in Newry and Dundalk) is to work on the effective rollout of the MoU in the cross-border region.

Third, the inaugural meeting of the Louth/Newry-Mourne Joint Council Committee took place in Newry in July 2011. Since then, the Joint Council Committee, jointly chaired by councillors from Louth County Council and Newry and Mourne District Council respectively, has met on a regular basis.

Fourth, success has been achieved by the two local authorities – with the significant inputs of EBR, which acts for local authorities in the north east cross-border region in their dealings with EU funding sources – in a number of areas, including: the Low Carbon Business Network, which has secured in the region of €1m in INTERREG funding; and the Cooley, Mournes and Ring of Gullion Geo-Tourism Project, which has been successful in attaining €1.65m INTERREG funding for a major tourism development project stretching from the Boyne Valley, through the Cooley Mountains and the Ring of Gullion, across Carlingford Lough and into the Kingdom of Mourne. The Geo-Tourism Project will be based in the McGrath House offices (Newry), where five positions have been created, including a (cross-border) Tourism Officer. Most recently (October 2012) saw the announcement that Narrow Water Bridge is to be funded in full under INTERREG (over €17m) and the project is due to be completed by June 2015. As well as these significant successes, cooperation among Louth County Council and Newry and Mourne District Council has also included emergency planning (during the cold snap over Christmas 2010) and age-friendly initiatives. Further opportunities are being identified in education and training (including at third-level) as well as those mentioned.

Finally, major celebrations took place in Newry on 5 and 6 June 2012, when the Olympic Torch crossed the border between Newry and Mourne and Louth on the morning of 6 June on its way to Dublin. A steering committee was established for the handing over of the torch at the border, which involved the Police Service NI (PSNI), An Garda Síochána, Newry and Mourne District Council and Louth County Council along with the Organising Committee of the London Olympics and Para-Olympic Games Ltd. Lord Sebastian Coe came over specially for the event, which provided significant profile for the region.

Source: Louth County Council, Newry and Mourne District Council and PMCA research.

Need for a Car Ferry on Carlingford Lough

As evident from the preceding discussion, there is little doubt about the need to enhance tourism development and promotion on an island-wide basis as visitors know no boundaries and the evidence shows that those coming to stay in NI tend to include a visit to Ireland on their itinerary and *vice-versa*.

A case in point is Carlingford Lough. This cross-border region is characterised by strong natural assets with significant visitor potential but the area has underperformed in respect of tourism over the years. This partly reflects the peripheral nature of the area and the fact that it was difficult to access and traversing the region on a cross-border basis is currently not possible.

Down the years, there have been feasibility studies of a car ferry on Carlingford Lough and all report that such an endeavour would be navigationally, operationally and financially feasible. The previous studies are reviewed in more detail subsequently in the report.

The bases of the need for a car ferry are to make it easier to traverse the region, saving on travel time, distance and fuel costs, and to open up (on a cross-border basis) the region for the promotion and development of tourism, giving the region a much-needed jobs boost.

Another reason underpinning the need for a car ferry stems from the growing interest in Carlingford Lough. For example, according to Carlingford Tourism Office, visitor enquiries increased by 52% between 2006 and 2010 and, as shown by the new survey evidence reviewed subsequently in the report, there is a large body of people who would traverse the lough if the infrastructure existed.

Leveraging the Comparative Assets of the Region to Promote Tourism and Jobs

As stated above, there are positive signs that efforts are being made to address the tourism underperformance of the cross-border Carlingford Lough region in the past and, importantly, these initiatives reflect cross-border commitment. The favourable location of the region on the Dublin-Belfast Corridor, access to airports and the natural scenery of the region are duly recognised and the objective behind many of the current initiatives is to populate the region with more visitor attractions and amenities that will enhance the draw for tourists and keep them longer in the region because there will be more to do and see. This will also facilitate more variety of visitors (e.g. more families).

In addition to the aforementioned Narrow Water Bridge and the proposed car ferry under consideration here, other initiatives underway include (but are not necessarily limited to):

- *Geo-Tourism Project* – this project will be based on the unique geological features of the Cooleys, Mournes and Slieve Gullion area and it does not propose to transform the area into a national park (€1.65m in INTERREG funding has been secured for the project);
- *Louth coastal walk and cycleway route* – Louth County Council are in the process of providing a new cycle route along former rail tracks from Omeath to Greenore and significant funding has been secured from the Irish Department of Transport, Tourism and Sport for the project, which will run alongside, and complement, Narrow Water Bridge and the proposed car ferry;
- *Mournes Coastal Drive* – this initiative is underway and is being actively promoted in the context of a coastal drive from the Mournes through the north Antrim Coast and the Giants Causeway to Derry/Londonderry (the proposed car ferry will make it possible for visitors to extend the driving route southwards along the Cooley Peninsula or north from this point);
- *Tourism management* – the EBR Tourism Development Plan (TDP) has been approved for €3.3m, involving 46 projects that include Kilbroney Park event facilities near Warrenpoint and Rostrevor, and a tourism action plan for the whole cross-border region is under development;

- *Mournes mountain biking investment* – significant investment of approximately £11m is being led by Down District Council into two new mountain biking facilities at Kilbroney Park in Newry and Mourne and Castlewellan in Down (the facilities will be completed in 2015 and the track at Kilbroney Park across Carlingford Lough will host the mountain bike and cross-country events for the World Police and Fire Games in August 2013);
- *Carlingford Lough tourism initiatives* – these include an initiative in collaboration with the Loughs Agency for the development of marine tourism on the lough.

The map below illustrates the signature/key tourism projects in the cross-border region in which the proposed car ferry project will occur. Both FI and the NITB recognise that the region has yet to realise its potential as a tourism destination and the current strategies are in keeping with the general goal of achieving balanced growth in tourism in each part of the island (and not just in the traditional ‘hot-spots’ like Dublin, Kerry and the West).

Figure 1.1: Signature Tourism Initiatives in the Cross-Border East Border Region



Source: Louth County Council, EBR.

1.3 Overview of Methodology

The overall methodology adopted in this report is to take an external and dispassionate approach to the economic impact appraisal of the proposed ferry service. This involves assessment of both the economic need and the economic impact of the project, using relevant factual evidence. The details of the economic impact analysis are outlined subsequently in the report, as is the new survey evidence carried out by the backers to investigate the need and level of demand for the project.

1.4 Structure of the Report

The rest of the report is structured as follows:

- Section 2 assesses the economic need for the project;
- Section 3 provides the assessment of the economic impact of the project and further considers its socio-cultural impacts in the cross-border region; and
- Section 4 concludes the report.

2 Assessment of the Economic Need for Carlingford Lough Car Ferry

2.1 Introduction

The underperformance of tourism in the cross-border Carlingford Lough region in the past reflects a number of factors, including the Troubles, the under-selling of the region and access to the region. Today, these issues are by-and-large gone or no longer relevant, meaning that the region now has an opportunity to reach its potential in respect of tourism. In a largely rural and unspoiled area, tourism is a critically important sector and offers the region the best hope of economic development and job creation. This is duly recognised by the (1) local authorities – Louth County Council and Newry and Mourne District Council – (2) the tourist agencies (FT, the NITB and Tourism Ireland), who are currently promoting the region as one of the island’s leading visitor destinations, and (3) the private sector, including the backers of the proposed car ferry.

PMCA considers that now presents a unique opportunity for a car ferry. In particular, the proposed car ferry can benefit from Narrow Water Bridge and road improvements on either side of Carlingford Lough that will be necessary to facilitate the expected increase in visitor numbers into the region. It can also benefit from the much stronger promotion of the region by the tourism agencies and from other private sector developments in the region – including new accommodation – which will make it a more attractive visitor destination. Also of importance are the various other tourist initiatives noted previously, like the cycleway between Greenore and Omeath, the Mourne Coastal Drive and the Geo-Tourism Project. As regards timing, the proposed car ferry is not dependent on the completion of Narrow Water Bridge (June 2015). It, along with the various other initiatives, and the promotional campaigns by the tourism agencies, are already heightening the profile of the region, thereby expanding the reach and potential of the car ferry project. When Narrow Water Bridge eventually does come on stream, it will be a further boost to the project and the region.

In examining the economic need for the car ferry empirically, we begin by estimating the scale of the tourism market in the region by reference to available data on visitor numbers and spending in Louth and Newry and Mourne (the core market in which the project will occur). As well as establishing the ‘baseline’ situation, the evidence on the size of the tourism market also informs the subsequent modelling of the potential tourism impact of the car ferry in terms of off-site jobs (Section 3).⁵

Because of the different sources of tourism data available for the northern and southern sides of Carlingford Lough, the approach to ‘sizing the market’ in this section is a bottom-up one where we first consider the data for Louth and Newry and Mourne individually before merging their respective tourism markets to yield an overall picture of the tourism market in the cross-border Carlingford Lough region from which we can model the tourism potential of the region and the likely jobs impact of the proposed car ferry.

⁵ Carlingford Lough is bounded by County Louth and the Newry and Mourne District Council area. This is the narrowest geographic market in respect of the project. Even so, in the subsequent economic impact analysis, we show that the project will have a significant economic impact in the narrowest geographic market, becoming even bigger as the market is widened (to include Down District Council area and the Dublin-Belfast Corridor).

2.2 Tourism (Under) Performance of the Cross-Border Carlingford Region

County Louth

Overseas Visitors – Numbers and Expenditure

Table 2.1 gives figures for the number of overseas visitors to Louth between 2007 and 2010 (i.e. visitors from outside the island of Ireland). It shows that the number of overseas visitors has fluctuated somewhat over the period, from a high of 98,000 in 2007 to a low of 89,000 in 2009. In 2010, the most recent year for which figures are available, overseas visitors to Louth stood at 95,000.⁶

Table 2.1: Number of Overseas Visitors to County Louth (2007-2010)

| | Overseas Visitor Numbers | | | | % Change |
|------------------------|--------------------------|-------------|-------------|-------------|----------|
| | 2007 | 2008 | 2009 | 2010 | |
| Louth | 98,000 | 91,000 | 89,000 | 95,000 | -3.1% |
| Ireland | 7,739,000 | 7,436,000 | 6,555,000 | 5,865,000 | -24.2% |
| <i>Louth % Ireland</i> | <i>1.3%</i> | <i>1.2%</i> | <i>1.4%</i> | <i>1.6%</i> | |

Source: FI, PMCA analysis.

Note: Figures for 2010 are preliminary.

The table above also shows that between 2007 and 2010, overseas visitors to Louth declined by 3.1% and by substantially more to the country as a whole (by over 24%). This indicates that the fall in overseas visitors was much lower for Louth than Ireland during 2007-2010, when the country experienced a fall in inbound visitors as the international economic crisis took hold.

The other noteworthy aspect of Table 2.1 is its illustration of the tourism underperformance in Louth: the county has accounted for a very small share of the total number of overseas visitors to Ireland. Between 2007 and 2010, Louth's share of overseas visitors to Ireland has not exceeded 1.6%, which is smaller than the county's share of the national population (2.7% in the census year of 2011).⁷ In other words, Louth has had a disproportionately small share of all overseas visitors to Ireland. The challenge, of course, is to enhance the share – to at least the level corresponding to Louth's share of the country's population, which would imply approximately 160,000 overseas visitors in a given year (or an almost 70% increase in such visitor numbers on the level in 2010). PMCA believes that this degree of increase can be achieved – partly because of the various initiatives described earlier and partly because of the activities of the Louth Economic Forum (LEF), which has identified tourism and heritage as one of the key thematic areas for action planning.⁸

⁶ The figures shown in Table 2.1 refer to *overseas visitors* to Ireland (from outside the Ireland) and differ from the CSO's data on *overseas trips* to Ireland cited in Section 1 (footnote 3, p. 3).

⁷ According to Census 2011, the population of Louth was 122,897 and the population of the country as a whole was 4,588,252 in that year, giving a population share for Louth of 2.7%. In the previous census (2006), Louth's share of the country's population was 2.6%.

⁸ In the recently completed external review of the LEF, Dr. McCloughan of PMCA analyses how the LEF has helped to facilitate the extraordinary achievement of Louth doubling its share of all jobs announced by IDA Ireland in Ireland during 2010-2012 (the LEF's foreign direct investment (FDI) action planning commenced in February 2010). See, for example, the report in *The Argus* (21 November 2012) 'Louth a success story for attracting foreign investment'.

Table 2.2 shows how much revenue has been earned from overseas visitors in Louth between 2007 and 2010. The data show that revenue earned reached a recent high of €34m in 2010. However, this was equivalent to just 1.2% of the total revenue earned from overseas visitors to Ireland. Like the visitor numbers data in the previous table, Louth's share of all overseas visitor revenue is lower than its share of the country's population (2.7% in 2011), further showing the county's underperformance in tourism.

On the other hand, a positive aspect of the data shown in Table 2.2 is that overseas visitor revenue has been growing in Louth (by 12.6% during 2007-2010), in sharp contrast with the Border Midland and Western (BMW) Region (-23.9%) and the country as a whole (-30.4%) during the same period.

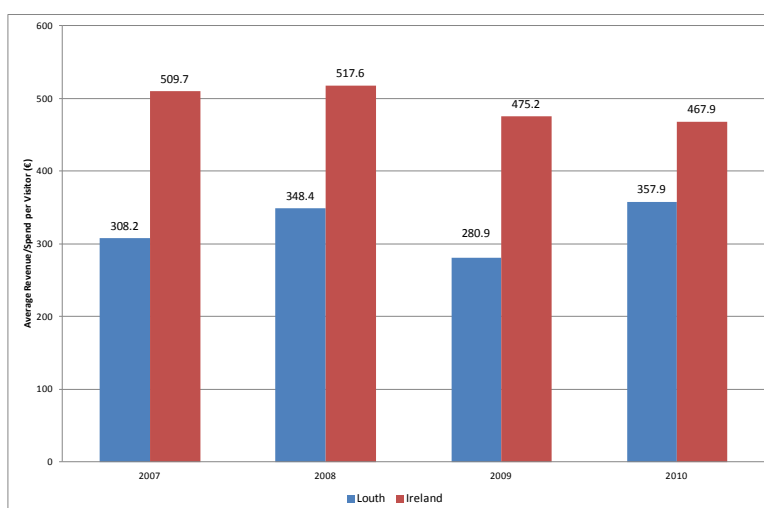
Table 2.2: Overseas Visitor Revenue in County Louth (2007-2010) (€000)

| | Overseas Visitor Revenue (€000) | | | | % Change |
|------------------------|---------------------------------|-------------|-------------|-------------|----------|
| | 2007 | 2008 | 2009 | 2010 | |
| Louth | 30,200 | 31,700 | 25,000 | 34,000 | 12.6% |
| BMW Region | 807,700 | 787,300 | 611,000 | 615,000 | -23.9% |
| Ireland | 3,944,600 | 3,849,000 | 3,115,000 | 2,744,000 | -30.4% |
| <i>Louth % Ireland</i> | <i>0.8%</i> | <i>0.8%</i> | <i>0.8%</i> | <i>1.2%</i> | |
| <i>Louth % BMW</i> | <i>3.7%</i> | <i>4.0%</i> | <i>4.1%</i> | <i>5.5%</i> | |

Source: FI, PMCA analysis.
Note: Figures for 2010 are preliminary.

Figure 2.1 shows that average overseas visitor spend in Louth has been significantly lower than the average overseas visitor spend nationally in each year during 2007-2010. This may be attributable, for example, to factors such as visitor journey purpose, average length of stay and availability of visitor attractions. Nevertheless, on a more positive level, the chart also shows that average spending by overseas visitors increased in Louth (by 16.1%) compared with a fall in the country as a whole (8.2%).

Figure 2.1: Average Overseas Visitor Spend in County Louth (2007-2010) (€)



Source: FI, PMCA analysis.
Note: Figures for 2010 are preliminary.

Domestic and NI Visitors – Trips and Expenditure

There is no county-level information available from FI on visitors or revenue from the domestic or NI markets. Table 2.3 below instead looks at trends in domestic travel by Irish residents between 2007 and 2010, split between visits to the BMW Region (of which Louth is part) and the Southern and Eastern (S&E) Region.⁹ It is important to note that the CSO, who compile these tourism data, revised its methodology in 2010 and therefore care should be exercised in comparing this year with previous years.

The figures in Table 2.3 show that the BMW Region accounted for over 2.7m domestic visitor trips in 2010, which in turn accounted for visitor spend of over €631m. Average domestic visitor spend in the BMW Region was about €229 in 2010, which was higher than that for the S&E Region (€212) or the national average (€217). This is an interesting fact – namely that domestic visitors spend more on average on visits to the BMW Region than elsewhere in Ireland (visits tend to be longer).

Table 2.3: Domestic Travel by Irish Residents (2007-2010)

| | 2007 | 2008 | 2009 | 2010 | % Change |
|---------------------------|-----------|-----------|-----------|-----------|----------|
| Trips | | | | | |
| BMW Region | 2,479,000 | 2,569,000 | 2,635,000 | 2,762,000 | 11.4% |
| S&E Region | 5,463,000 | 5,770,000 | 5,704,000 | 5,853,000 | 7.1% |
| Ireland | 7,942,000 | 8,339,000 | 8,339,000 | 8,615,000 | 8.5% |
| <i>BMW % Ireland</i> | 31.2% | 30.8% | 31.6% | 32.1% | 2.7% |
| Expenditure (€000) | | | | | |
| BMW Region | 482,200 | 481,000 | 468,200 | 631,800 | 31.0% |
| S&E Region | 1,068,800 | 1,065,000 | 921,600 | 1,238,300 | 15.9% |
| Ireland | 1,551,000 | 1,546,000 | 1,389,800 | 1,870,100 | 20.6% |
| <i>BMW % Ireland</i> | 31.1% | 31.1% | 33.7% | 33.8% | 8.7% |
| Average Spend (€) | | | | | |
| BMW Region | 194.5 | 187.2 | 177.7 | 228.7 | 17.6% |
| S&E Region | 195.6 | 184.6 | 161.6 | 211.6 | 8.1% |
| Ireland | 195.3 | 185.4 | 166.7 | 217.1 | 11.2% |

Source: CSO (Household Travel Survey), PMCA analysis.

Note: Results in 2010 are not comparable with previous years due to changes in methodology.

A rough estimate for the number of domestic visitors to Louth can be calculated from the CSO data by assuming that its share of domestic trips and expenditure in the BMW Region is similar to its share of overseas expenditure (i.e. 5.5% in 2010, Table 2.2). On this basis, domestic visitors to Louth would be over 152,000 in 2010, generating expenditure of almost €35m.

⁹ By way of explanation, Ireland is split into two EU NUTSII Regions, the BMW Region and the S&E Region (which includes Dublin).

For the NI market, meanwhile, assumptions have to be made using other data available from FI for 2009. These particular data show that the smaller East and Midlands tourism region (of which Louth is part in this particular source) attracted 106,000 visitors from NI in 2009, generating out-of-state expenditure of about €24m, or an average visitor spend of more than €226. Given that Louth is the only border county in this FI tourism region, it may be reasonable to assume that it attracts a relatively large proportion of this market. Therefore, assuming that 20% of the NI market in the East and Midlands visits Louth, we estimate (possibly conservatively) NI visitor numbers of 21,200 and visitor expenditure of €4.8m in respect of Louth (in 2009/2010).

Bringing the preceding data together on overseas, domestic and NI visitors to Louth, it is possible to estimate the size of the tourism market in Louth. The figures are presented in the table below and suggest total visitor numbers of almost 270,000 (most of which are from other parts of Ireland), total spending of almost €74m and average spending per visitor of approximately €274. The figure at the bottom of the table is from FI estimates and states that every €1m in tourism expenditure supports 36 full-time equivalent (FTE) jobs, suggesting a total of over 2,600 tourism-related jobs in the county. Given the concentration of tourism in the Cooley Peninsula, it is expected that a significant portion of these jobs are in-and-around Carlingford Lough (but the precise figure is not known).

Also seen in Table 2.4 is the relatively small number of visitors to Louth from NI (estimated at less than 10% of the total estimated visitors). Narrow Water Bridge and the car ferry will help to address this feature of Louth tourism.

Table 2.4: Estimate of the Size of the Tourism Market in Louth (2010)

| | 2010 |
|-----------------------------------|------------|
| Overseas Visitors | |
| Overseas Visitors to Louth | 95,000 |
| Average Visitor Spend (€) | 357.9 |
| Spend by Overseas Visitors (€) | 34,000,000 |
| Domestic Visitors | |
| Domestic Visitors to Louth | 152,696 |
| Average Visitor Spend (€) | 228.7 |
| Spend by Domestic Visitors (€) | 34,928,780 |
| Northern Ireland Visitors | |
| NI Visitors to Louth | 21,200 |
| Average Visitor Spend (€) | 226.4 |
| Spend by NI Visitors in Louth (€) | 4,800,000 |
| Louth Total | |
| Visitors | 268,896 |
| Total Spend (€) | 73,728,780 |
| Average Visitor Spend (€) | 274.2 |
| Employment per €m Spend (FTEs) | 36 |
| Estimated Tourism Employment | 2,654 |

Source: FI, CSO, PMCA analysis.

Newry and Mourne

Similar to the South, different statistical sources cover overseas and other visitors in respect of the district council areas of NI.

Table 2.5 shows that there were 94,000 trips by overseas visitors to Newry and Mourne in 2009, accounting for total spending of £13m or just over £138 on average.

These figures suggest underperformance of tourism in Newry and Mourne – the 94,000 trips by overseas visitors accounted for 3% of all such trips to NI in 2009 and Newry and Mourne’s share of overseas visitors’ spend in NI was 2.6% in that year, compared with its share of the population of NI of 5.4% (2010).¹⁰ It is also seen that average spending per overseas visitor was lower in Newry and Mourne compared with other parts of NI.

Table 2.5: Overseas Visitors to Newry and Mourne District Council Area (2009)

| | Overseas Visitors (2009) | | |
|---------------------|--------------------------|-----------------|--------------|
| | Number of Trips | Total Spend (£) | Av Spend (£) |
| Newry and Mourne | 94,000 | 13,000,000 | 138.3 |
| NI | 3,132,100 | 508,000,000 | 162.2 |
| <i>N&M % NI</i> | 3.0% | 2.6% | |

Source: NITB, PMCA analysis.

To get a fuller picture of the tourism market in Newry and Mourne, we refer to the Scarborough Tourism Economic Activity Monitor (STEAM) Report for Newry and Mourne 2010 (latest available).¹¹

According to the data presented in Table 2.6, there were almost 900,000 visitors in total (including overseas visitors) to Newry and Mourne in 2010 compared with almost 930,000 the previous year. Total spend by visitors also fell, from approximately £51m in 2009 to £48m in 2010. The STEAM figures imply average spend per visitor of about £55. This is considerably lower than the corresponding figure for Louth (c. €274 or £220, Table 2.4) and reflects the fact that the majority (c. 70%) of visitors to Newry and Mourne are day visitors from elsewhere in NI, according to the STEAM data.

Table 2.6: Estimate of the Size of the Tourism Market in Newry and Mourne (2009-2010)

| | 2009 | 2010 | % Change |
|---------------------------|------------|------------|----------|
| Visitors | 929,762 | 893,776 | -3.9% |
| Total Spend (£) (Direct) | 51,114,032 | 48,168,655 | -5.8% |
| Average Visitor Spend (£) | 55 | 54 | -2.0% |
| Employment (Direct) | 1,098 | 1,085 | -1.2% |
| Employment per £m Spend | 21 | 23 | 4.8% |

Source: Newry and Mourne District Council STEAM Report 2010, PMCA analysis.

¹⁰ According to data from the NI Statistics Research Agency (NISRA), in 2010, there were 101,070 residents in Newry and Mourne and 1,876,729 in NI.

¹¹ The STEAM system is used in local authority areas in the UK.

As reported in the table above, the STEAM Report for Newry and Mourne 2010 also shows that tourism in the area supported direct employment of almost 1,100 in that year, which is equivalent to approximately 23 employees per £m spend.¹²

Tourism Market in the (Immediate) Cross-Border Carlingford Lough Region – Louth and Newry and Mourne

Bringing the analyses presented for Louth and Newry and Mourne together, we can estimate the overall size of the tourism market in the cross-border Carlingford Lough area by taking the respective figures for Louth (Table 2.4) and Newry and Mourne (Table 2.6).

According to the estimates, there are well over 1.1m visitors in total to the region, accounting for over €133m in spending or an average of €115 per visitor, and the market sustains over 4,000 people in employment or more than 5,000 in both direct and indirect employment.

The estimates presented in Table 2.7 will be used in to inform the assessment of the potential economic impact of the proposed car ferry subsequently in Section 3.

Table 2.7: Estimate of the Size of the Tourism Market in Both Louth and Newry/Mourne (2010)

| | <u>2010</u> |
|---|-------------|
| Visitors | 1,162,672 |
| Total Spend (€) | 133,939,600 |
| Average Visitor Spend (€) | 115.2 |
| Employment per €m Spend (FTEs) | 30 |
| Estimated Tourism Employment (Direct) | 4,018 |
| Est. Tourism Employment (Direct and Indirect) | 5,224 |

Source: FI, CSO, STEAM, PMCA analysis.

Inclusion of Down District Council Area

When we include the Down District Council area, which includes the popular tourist towns of Newcastle, Castlewellan and Downpatrick, the size of the tourism market in respect of the proposed car ferry is even greater.

In comparison with Newry and Mourne and Louth, tourism in Down is proportionately large. As shown in Table 2.8 below, there were 265,000 trips by overseas visitors to the Down District Council area in 2009, accounting for total spending of £40m or £151 on average. As a proportion of the NI total, the percentages of such trips to and total spending in Down were 8.5% and 7.9% respectively. After Belfast and the Coleraine Borough Council area, which includes the popular seaside resorts of Portrush and Portstewart, and the area around the Giants Causeway, the Down District Council area had the highest shares of overseas trips and spending in 2009 (the population of Down DC in 2010 was 70,800 or about 3.7% of NI in that year).

¹² The STEAM report also records that, in 2010, there were a further 336 people indirectly employed as a result of tourism in Newry and Mourne, suggesting an additional 30% indirectly employed.

Table 2.8: Overseas Visitors to Down District Council Area (2009)

| | Overseas Visitors (2009) | | |
|------------------|--------------------------|-----------------|--------------|
| | Number of Trips | Total Spend (£) | Av Spend (£) |
| Down | 265,000 | 40,000,000 | 150.9 |
| NI | 3,132,100 | 508,000,000 | 162.2 |
| <i>Down % NI</i> | 8.5% | 7.9% | |

Source: NITB, PMCA analysis.

Table 2.9 shows that there were over 5.8m visitors in total (including overseas visitors) to the Down District Council area in 2010, a slight fall of 2% on the previous year, when almost 6 million people visited the area. Total spending by visitors fell by 5%, from approximately £305m in 2009 to almost £290m in 2010. The STEAM figures imply average spend per visitor (overseas and domestic) of about £50, slightly lower than the corresponding figure for Newry and Mourne (approximately £55, Table 2.6).

Table 2.9: Estimate of the Size of the Tourism Market in Down District Council Area (2009-2010)

| | 2009 | 2010 | % Change |
|---------------------------|-------------|-------------|----------|
| Visitors | 5,946,326 | 5,824,299 | -2.1% |
| Total Spend (£) (Direct) | 305,131,069 | 289,776,941 | -5.0% |
| Average Visitor Spend (£) | 51 | 50 | -3.0% |
| Employment (Direct) | 6,163 | 5,974 | -3.1% |
| Employment per £m Spend | 20 | 21 | 2.1% |

Source: Down District Council STEAM Report 2010, PMCA analysis.

It is immediately apparent that the tourism market in the Down District Council area is much bigger than those in Louth and Newry and Mourne, and that the inclusion of Down in the impact analysis will amplify the economic impact of the proposed car ferry.

Table 2.10 provides estimates of the size of the tourism market pertaining to the three local authority areas of Louth, Newry and Mourne and Down and implies a market of almost 7m visitors per year with average visitor spend of €71 and estimated tourism employment of almost 15,000 (direct) and over 19,300 (direct and indirect).

Table 2.10: Estimate of the Size of the Tourism Market in Louth, Newry/Mourne and Down (2010)

| | 2010 |
|---|-------------|
| Visitors | 6,986,971 |
| Total Spend (€) | 496,160,777 |
| Average Visitor Spend (€) | 71.0 |
| Employment per €m Spend (FTEs) | 30 |
| Estimated Tourism Employment (Direct) | 14,885 |
| Est. Tourism Employment (Direct and Indirect) | 19,350 |

Source: FI, CSO, STEAM, PMCA analysis.

2.3 Tourism Potential of the Cross-Border Region

Its tourism underperformance notwithstanding, it is undoubtedly the case that the cross-border Carlingford Lough region has significant tourism potential. This view is evidence-based and reflects the favourable geographical location of the region – in the heart of the Eastern Corridor – and its strong access to transport infrastructure (airports at Belfast and Dublin and the M1/A1). Further, as shown below, the population of the hinterland around the Carlingford Lough region is high and even higher again when one factors-in the proximity of the region to the UK and Europe (by air and sea). In other words, the potential market opportunity (in terms of ‘home’ visitors from elsewhere on the island and overseas visitors coming by air or sea) is substantial. Moreover, the region is rich in the type of tourism product that represents the main reason why people come to visit the island of Ireland – walking, hill-walking and outdoor pursuits (as shown below).

The scope for growing tourism in the region – taking the form of attracting more weekenders, long-stays, couples, families and groups – from elsewhere on the island, GB and internationally – is strengthened further when one factors-in the greater promotion of the area by FI, the NITB and Tourism Ireland: the region is now a signature tourism destination, which will raise its profile significantly.

In what follows, we outline the tourism potential of the cross-border Carlingford Lough region with regard to demand and supply drivers, finishing with an assessment of the likely effect that Narrow Water Bridge will have for the proposed car ferry. The supply and demand drivers, and the effect of Narrow Water Bridge, are summarised as follows and outlined subsequently:

- Supply drivers;
 - Abundance of the type of tourism product that attracts visitors to the island
 - Accommodation set to expand (particularly in the immediate Carlingford Lough region)
 - The opening-up of the cross-border Carlingford Lough region through the car ferry and Narrow Water Bridge, creating circular itinerary routes and enhancing the overall offering to visitors
- Demand drivers;
 - Favourable population of the region and its wider hinterland with access to the region
 - Stronger promotion of the region as a tourism destination
- Narrow Water Bridge;
 - Further enhancement of the profile of the region
 - Facilitate the development of complementary tourism facilities.

Supply Drivers

Abundance of the Type of Tourism Product that Attract Visitors to the Island

Tourism is generally important to the economies of both parts of the island and, as outlined earlier, is getting increasing attention from policymakers as a means to help address the challenging circumstances prevailing currently. The island’s tourism product is a niche one, based on history, culture and heritage and the natural environment, all of which are in plentiful supply in the region of interest.

Table 2.11 below summarises the activities in which overseas visitors to Ireland engaged in 2010 and is noteworthy in the context of this report for showing the importance of hiking/cross-country activities to overseas visitors – activities which are in abundance in the cross-border Carlingford Lough region.

Table 2.11: Summary of Overseas Visitors Engaging in Activities in Ireland (2010)

| Activity | Overseas Visitors (000s) | Spend in Ireland (€m) | "Activity Important" in Choice of Ireland Overseas Holidaymakers (000s) |
|----------------------|-----------------------------|--------------------------|---|
| Hiking/Cross-Country | 693 | 640 | 245 |
| Walking | | | |
| Golf | 155 | 148 | 63 |
| Angling | 123 | 88 | 53 |
| Cycling | 164 | 180 | 54 |
| Equestrian | 60 | 62 | 20 |

Source: FI.

Researchers at Dublin Institute of Technology (DIT) undertook a study – ‘Carlingford Visitor Survey 2011’ – the findings of which include:¹³

- 49% of visitors were from Ireland, 32% overseas and 19% from NI (the relatively low proportion of visitors from the North reflects the current difficulty in traversing Carlingford Lough on a cross-border basis and points to the opportunity of enhancing cross-border visitors through the provision of a car ferry, complementing Narrow Water Bridge, both of which will create circular driving route choices around the region);
- Over half (54%) of domestic visitors (from Ireland) indicated that they were from Dublin;
- There were a large number of repeat visitors (21% of those surveyed) (illustrating the quality of the tourism product in Carlingford Lough, which nevertheless can be improved further with extended visitor facilities like a car ferry for which there is a demand/interest in arising from other survey evidence – outlined below);
- 49% of respondents engaged in walking/trekking and 4% in cycling (the new cycleway running between Carlingford and Omeath will help to increase cycling as an activity for visitors);
- In a list of ‘Top 10 Attractions’, the overall scenery was cited as the favourite attraction and walking as second favourite;
- 52% were travelling with a partner and 17% with their family.

As highlighted in the DIT study, Carlingford Lough is currently a high quality niche destination, with significant growth potential that can be achieved in a managed and sustainable way that will not compromise the environment or the unique attractiveness of the area. To grow, according to the study, the area needs to provide additional high quality activities, services and amenities, and these should be proactively marketed to attract the attention of new visitors who otherwise might not be familiar with the area.

The visitor comments in the DIT study (reproduced in Box 2.1 overleaf) illustrate the strong tourist draw and potential of the Carlingford Lough region. The comments include the fact that one can see both the North and the South from the one location and its ease of access (to the A1/M1).

¹³

<http://www.carlingford.ie/images/stories/PDF/Carlingford%20Visitor%20Survey%202011.pdf>.

Management at Carlingford Tourist Office report a substantial increase (52%) in enquiries about the region between 2006 and 2010, and have stated that one of the most frequently asked questions by visitors to the area is:

“Is there a car ferry across Carlingford Lough?”

In regard to opportunities for development, the DIT study states that:

“Carlingford & the Cooley Peninsula’s USPs [unique selling points] are in the areas of Adventure Tourism, Walking, Heritage, Festival/ Events & Food and thus the area should focus on these key niche market segments, targeting in particular visitors living within a 90 minute radius as a first priority.”

The proposed Carlingford Lough Car Ferry is consistent with this statement and accords with visitors’ curiosity and apparent demand for a car ferry.

Box 2.1: What Visitors Said about Carlingford Lough

- ✓ “Exquisite natural beauty, excellent hospitality, over and beyond expectations. Genuine local welcome.”
- ✓ “Wonderful local cuisine whether in a formal restaurant or pub – the best of what Ireland has to offer.”
- ✓ “A pleasure to come back to visit – A wonderful jewel – a quaint village; don’t spoil it.”
- ✓ “Lovely authentic pubs with Irish music. Best B&B experience we’ve had in years!”
- ✓ “Beautiful scenery & friendly, warm, welcoming people. Great accommodation. Will definitely be back.”
- ✓ “Beautiful town with lovely scenery & historical buildings. Full of history.”
- ✓ “Relaxing place, not too busy & friendly atmosphere.”
- ✓ “First time in Ireland, it was excellent! Beautiful landscape, good food, nice people. Simply the best!”
- ✓ “Nice scenery, great heritage & great people...looped walks are excellent. We keep coming back!”
- ✓ “Picturesque setting - small & interesting village - a great release from busy city life - just what we needed.”
- ✓ “This is a magnificent town...a must see. Great to be able to see North & South Ireland from this location.”
- ✓ “Easy access from A1/M1. Great to see improved signage for walking & opening up little laneways.”
- ✓ “A perfect escape for a peaceful, relaxing short break & only one hour away from home.”
- ✓ “Coming over the road from Ravensdale area to Omeath – Wonderful!”
- ✓ “Constantly changing view of the Lough was beautiful. Range of local seafood is outstanding.”
- ✓ “Cycling around, early morning walk to King John’s Castle & harbour were the highlights.”
- ✓ “Looking at Mourne Mountains & Seafront at breakfast time was great.”
- ✓ “Destination is a secret. Not enough information for people to get here. Not previously aware of its heritage & beauty.”
- ✓ “Carlingford came highly recommended to me. I can see why. This was one of our favourite stops so far.”
- ✓ “Carlingford is traditional, rather than brash or tactless and naturally friendly- please try to keep it this way.”
- ✓ “Continue to protect the uniqueness of this medieval town & its outstanding natural beauty.”

Opportunities for development: “Carlingford & the Cooley Peninsula’s USPs are in the areas of Adventure Tourism, Walking, Heritage, Festival/ Events & Food and thus the area should focus on these key niche market segments, targeting in particular visitors living within a 90 minute radius as a first priority.”

Source: Carlingford Visitor Survey 2011.

The village of Carlingford has become renowned as a centre for water-based activities and adventure sports. Activities available include horse trekking, sailing, windsurfing, water skiing, canoeing, orienteering, rock climbing and abseiling. The Carlingford Adventure Centre, which is the major hub for adventure sports on the southern shores of the region, also provides specialist accommodation for up to 180 adventure and water sports enthusiasts, in addition to other accommodation considered below.

Another report, prepared by Judith A. Annett Countryside Consultancy in association with Royal Haskoning Ltd and Spouncer Associates for Armagh and Down Regional Tourism Partnership (April 2008) (entitled 'A Strategy and Action Plan for Marine, Watersports and Beach Development in the Armagh and Down Tourism Region 2008-2013'), observes the diversity of water-based sports and activities, including angling and a Blue Flag Beach at Templetown near Greenore (p. 10):

"Carlingford Lough in Co Louth is popular for watersports. The Táin multi activity centre provides a range of watersports including canoeing, dinghy sailing and banana tows. A major private sector marina at Carlingford with 280 berths provides a base for yachts and motorboats in the area. In Carlingford Village itself the Carlingford Adventure Centre has an accommodation base and a watersports base on the harbour, close to the Dundalk and Carlingford Yacht club which also provides sailing and powerboat courses...Carlingford Lough holds a number of sea angling species records. There is good shore fishing from Carlingford towards the mouth of the lough and opportunities for boat based fishing...To seaward of Carlingford there is access to the shoreline at Ballagan Point and Cooley Point, There is a Blue Flag Beach at Shellinghill/Templetown near Greenore".

In 2008, the Carlingford Lough area was designated a European Destination of Excellence (EDEN), which is a project promoting sustainable tourism development models across the EU.

As with the Cooley Peninsula, the Mountains of Mourne (made famous internationally through the song of the same name by Percy French) represents a major natural attraction designated as an Area of Outstanding Natural Beauty (AONB). The Mournes are the highest mountains in NI and in Slieve Donard (850m, 2,796ft) boast the highest mountain in the nine counties of Ulster, making it a popular peak to conquer by enthusiasts and charity volunteers (e.g. it features on the Five Peaks Challenge). This area also includes the St. Patrick's Trail.

Research carried out for the Countryside Access and Activities Network (CAAN) and the NITB shows that the Mournes area is the most popular destination in NI for affinity walking visitors.¹⁴ This links well with the popularity of outdoor activities in the Cooley Peninsula area.

The Newry and Mourne area has some other significant visitor attractions, with Tollymore Forest Park and Castlewellan Forest Park each attracting up to 160,000 visitors and 140,000 visitors respectively in a single year. In addition, the Newry and Mourne Museum attracts up to 40,000 visitors per annum.

Further, mirroring the planned cycleway across Carlingford Lough in the Cooley Peninsula, a similar initiative, comprising a specialist mountain bike track, is planned at Rostrevor Forest, which looks out on the lough on the northern side. The track will host the mountain bike and cross-country event for the World Police and Fire Games in August 2013 and will be fully completed at the end of 2015.

Accommodation Set to Expand

The Carlingford Lough region also features accommodation set to grow, to cater for the expected increase in visitors resulting from initiatives like Narrow Water Bridge and other planned visitor attractions in the region.

Table 2.12 provides a breakdown of the serviced accommodation stock available in Louth (2012). There are about 940 rooms and nearly 2,200 beds available in the county across hotels, guesthouses and bed and breakfast (B&B) properties. Most of the stock is available in hotels, which account for about 84% of both rooms and beds in Louth.

¹⁴ 'Affinity Walkers in Ireland: Market Research Report', Countryside Access and Activities Network and Northern Ireland Tourist Board, 2010. Affinity walkers are basically walkers coming together in (typically informal) groups.

However, the level of accommodation stock available in Louth is small compared with the national stock of serviced accommodation. As shown below, hotel, guesthouse and B&B rooms in Louth account for only 1.4% of all such rooms in Ireland with the corresponding figure for beds being just 1.3%, compared with Louth's share of the country's population (2.7% in 2011).

Table 2.12: Serviced Accommodation Stock in County Louth (2012)

| | Hotels | Guesthouses | B&Bs | Total |
|------------------------|---------|-------------|--------|---------|
| <i>Rooms</i> | | | | |
| Louth | 793 | 26 | 122 | 941 |
| Ireland | 57,859 | 3,243 | 7,767 | 68,869 |
| <i>Louth % Ireland</i> | 1.4% | 0.8% | 1.6% | 1.4% |
| <i>Beds</i> | | | | |
| Louth | 1,813 | 52 | 306 | 2,171 |
| Ireland | 135,011 | 6,978 | 19,176 | 161,165 |
| <i>Louth % Ireland</i> | 1.3% | 0.7% | 1.6% | 1.3% |

Source: FI.

Nevertheless, it should be noted that a substantial majority of the accommodation stock in Louth is concentrated in the Cooley Peninsula. In particular, a review of the location of the hotels across the county and their levels of room capacity reveals that about 10% of the county's capacity is found in the main Cooley towns of Omeath and Carlingford, with a further 65% of the capacity located in Dundalk, which is about 15 miles from Omeath and Carlingford.

Moreover, the stock of serviced accommodation in Louth is expanding, partly in contemplation of new developments in the Cooley Peninsula. Noteworthy is the recent decision by Louth County Council to grant planning permission for a new 69-bedroom hotel in Omeath, which will be a re-development of the former Park Hotel. This private sector investment will be an important addition to the stock of serviced accommodation in the region.

Other accommodation in Louth includes about 34 self-catering units, a camping and a caravan park with nearly 140 pitches and a 20-bed hostel (Table 2.13). Again, much of this accommodation is situated in-and-around the Cooley Peninsula (although the figures for Louth relative to Ireland suggest there may be room for expansion in other accommodation in Louth).

Table 2.13: Other Accommodation Stock in County Louth (2012)

| | Self-Catering Units | Caravan and Camping Pitches | Hostel Beds |
|------------------------|------------------------|-----------------------------------|-------------|
| Louth | 34 | 139 | 20 |
| Ireland | 4,934 | 5,509 | 8,056 |
| <i>Louth % Ireland</i> | 0.7% | 2.5% | 0.2% |

Source: FI.

Table 2.14 gives estimates of the level of serviced accommodation in Newry and Mourne, showing that the area has in the region of 350 rooms and 800 beds, spread across hotels, guesthouses and B&Bs. It is noteworthy that the stock of serviced accommodation in Newry and Mourne is less than that for Louth (Table 2.12).¹⁵

Table 2.14: Serviced Accommodation Stock in Newry and Mourne (2011)

| | Hotels | Guesthouses | B&Bs | Total |
|------------------------------|--------|-------------|-------|--------|
| Rooms | | | | |
| Newry and Mourne | 226 | 34 | 90 | 350 |
| NI | 7,590 | 922 | 2,013 | 10,525 |
| <i>Newry and Mourne % NI</i> | 3.0% | 3.7% | 4.5% | 3.3% |
| Beds | | | | |
| Newry and Mourne | 539 | 75 | 193 | 807 |
| NI | 16,839 | 2,088 | 4,591 | 23,518 |
| <i>Newry and Mourne % NI</i> | 3.2% | 3.6% | 4.2% | 3.4% |

Source: NITB.

PMCA has learned that planning permission has been granted for a hotel development at Glasdrumman, Annalong, in Newry and Mourne, and there is a possibility of a hotel and mixed use development at the Warrenpoint entrance/exit at Narrow Water (where Narrow Water Bridge will be located).

Other accommodation stock available in the Newry and Mourne area is provided in Table 2.15. Additional stock includes 75 self-catering units and 227 hostel beds, with the share of hostel accommodation being particularly high in a NI context (and significantly more than in Louth).¹⁶

Table 2.15: Other Accommodation Stock in Newry and Mourne (2011)

| | Self-Catering Units | Caravan and Camping Pitches | Hostel Beds |
|------------------------------|------------------------|-----------------------------------|-------------|
| Newry and Mourne | 75 | n/a | 227 |
| NI | 2,267 | n/a | 2,665 |
| <i>Newry and Mourne % NI</i> | 3.3% | n/a | 8.5% |

Source: NITB.

In the Down District Council area, meanwhile, there are about 540 serviced accommodation rooms (nearly 1,300 beds), 150 self-catering units and about 470 hostel beds. Banbridge District Council area, on the other hand, has just 70 serviced accommodation rooms (125 beds) and 16 self-catering units.

¹⁵ The bigger stock of serviced accommodation in Louth partly reflects the tax incentives given for hotels in the South, which was a feature of the property bubble that came to a dramatic end in the latter half of 2007, with considerable consequences for the country subsequently.

¹⁶ It seems reasonable to infer that the hostel accommodation would serve hill-walkers in the Mournes.

Opening up the Cross-Border Carlingford Lough Region

Currently, there is no means for cars, pedestrians or cyclists to cross Carlingford Lough or the Newry River. The DIT 'Carlingford Visitor Survey 2011' (Figure 23, p. 9) reveals that the car constitutes by-far the main means of transport to and around Carlingford – 88% of those surveyed arrived in Carlingford by car (own car or rental/hire car) and 73% toured around Carlingford by car (own car or rental/hire car). The absence of an all-year crossing over the lough means that car journey times are higher than they would be with a car ferry link and this makes the region a more isolated area from a visitor/tourist perspective and may serve to limit the region's visitor market.

The car ferry would open up the whole cross-border region to visitors and make it even more attractive as a destination, given the importance of the car to visitors to the region. For example, the Mourne Coastal Drive could be extended to the Cooley Peninsula with the novelty of a car ferry across the lough.

To ensure that the opening up of the whole region is maximised from a tourism viewpoint, it is important that the new visitor attractions and amenities coming on stream are effectively communicated to the outside world. Happily, this is happening through the efforts of the tourism agencies North and South and by the partnership achieved between Louth County Council and Newry and Mourne District Council (the MOU) and by the actions of public-private initiatives like the LEF.

Demand Drivers

Favourable Population of the Region and its Wider Hinterland

There are car ferries in other parts of the island but no other such location benefits from the population on the doorstep of the region under consideration.

Immediate Cross-Border Region (Narrow Geographic Market of Louth and Newry/Mourne)

Table 2.16 below shows the population of the immediate geographic area of the cross-border Carlingford Lough region (County Louth and the Newry and Mourne District Council area).

The population of Louth has grown rapidly since the last census in 2006, by 10.5% compared with 8.2% for Ireland. As a compact county with strong transport infrastructure, Louth is also characterised by high population density, which reflects the fact that Drogheda and Dundalk are jointly the two largest towns in the country, each with a population of approximately 35,000.

Similarly, the population of Newry and Mourne has grown rapidly between 2006 and 2010, by almost 7% compared with 3.3% for NI.

As well as Newry, Drogheda and Dundalk, other urban centres representing the potential market in respect of the proposed car ferry include (but are not limited to) Armagh, Portadown, Craigavon and the Monaghan towns of Carrickmacross, Castleblayney and Monaghan Town.

Table 2.16: Population of the Immediate Cross-Border Area in respect of Carlingford Lough Ferry

| | 2006 | 2011 | Actual Change | % Change |
|-------------------|-----------|-----------|---------------|----------|
| County Louth | 111,267 | 122,897 | 11,630 | 10.5% |
| Ireland | 4,239,848 | 4,588,252 | 348,404 | 8.2% |
| Dundalk Town | 29,037 | 31,149 | 2,112 | 7.3% |
| Dundalk Environs | 6,048 | 6,667 | 619 | 10.2% |
| Dundalk Total | 35,085 | 37,816 | 2,731 | 7.8% |
| Drogheda Town | 28,973 | 30,393 | 1,420 | 4.9% |
| Drogheda Environs | 6,117 | 8,185 | 2,068 | 33.8% |
| Drogheda Total | 35,090 | 38,578 | 3,488 | 9.9% |
| Carlingford | 623 | 1,045 | 422 | 67.7% |
| Omeath | 439 | 503 | 64 | 14.6% |
| Newry & Mourne | 94,545 | 101,070 | 6,525 | 6.9% |
| NI | 1,816,473 | 1,876,729 | 60,256 | 3.3% |

Source: Irish Census of Population 2011 (CSO), NISRA (NI) data, PMCA analysis.

Note: Drogheda Environs includes parts of County Meath as well as Louth.

Eastern (Belfast-Dublin) Corridor

Looking more widely at the likely level of demand for the car ferry, Figure 2.2 overleaf illustrates the Eastern or Dublin-Belfast Corridor and its population. The analysis is reproduced from a report by Indecon International Economic Consultants commissioned jointly by Louth, Meath and Fingal County Councils and completed in 2010. The purpose of the report was to quantify the size of the Corridor in relation to the island of Ireland and to identify opportunities to help to realise the potential of the Corridor, including from a tourism perspective.¹⁷

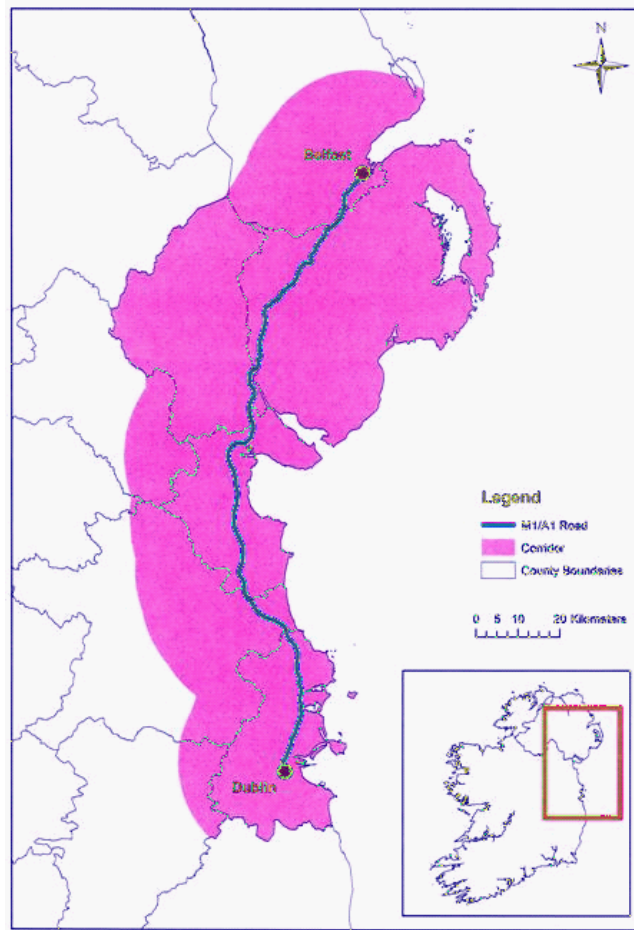
In 2010, the population of the Corridor was 2.3 million. This represents more than one-third of the island's population (even though geographically the Corridor accounts for less than one-tenth of the land area of the island).

PMCA considers that there is a significant opportunity to develop the Carlingford Lough region as a new, value-for-money destination within the Corridor given its planned attractions, like the complementary car ferry and Narrow Water Bridge, which will enable the visitor to experience both parts of the island from a single location.

¹⁷

Dr. Pat McCloughan of PMCA played a leading part in the Indecon study when he was a director with that consultancy practice and his work included consultations with stakeholders in the NI and Irish parts of the Corridor. The people spoken with (at Banbridge and Fingal) were generally very positive about collaborating to realise the economic and jobs potential of the Corridor.

Figure 2.2: Map and Population of the Belfast-Dublin Corridor (2010)



| Geographic Area | Population |
|----------------------|------------|
| M1 Economic Corridor | 2,312,784 |
| RoI Part | 1,437,426 |
| NI Part | 875,358 |

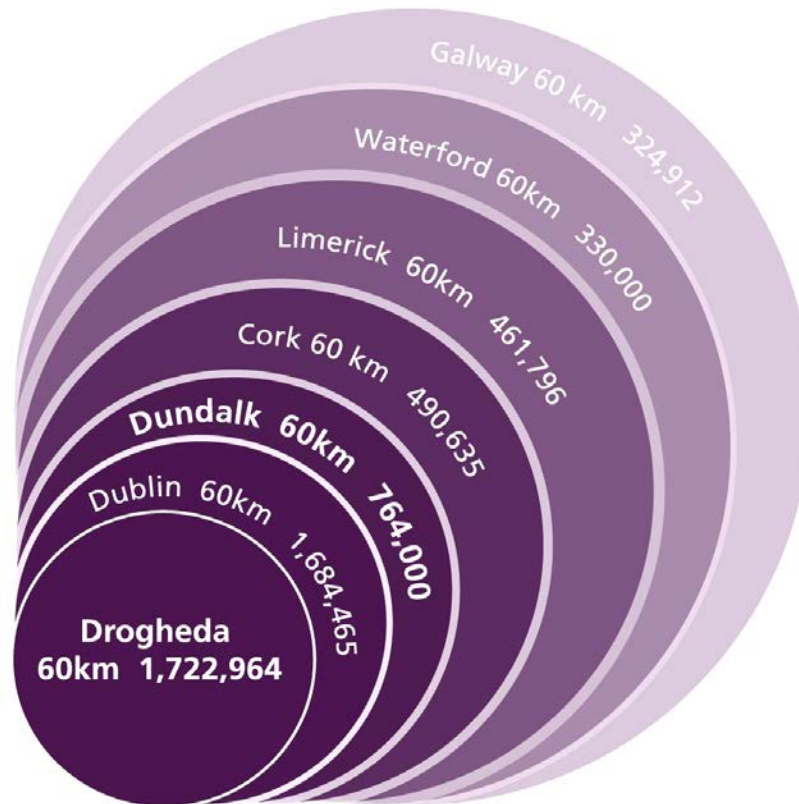
Source: Indecon International Economic Consultants (2010).

Further Illustration of the Favourable Population around the Carlingford Lough Region

No other location on the island of Ireland has a greater catchment population within 60km or one hours' drive than Drogheda, where the catchment population so-defined is over 1.7m. In fact, the potential tourist population in regard to the cross-border Carlingford Lough region is many multiples of this when one considers the area's proximity to the UK and Europe by virtue of the international airports close-by at Dublin and Belfast, which open up significant tourism opportunities for the region.

Illustration of the relatively favourable catchment population of the north eastern part of the island is given in the chart overleaf. This shows, for example, that the Shannon region, where there is an estuary ferry crossing, has a population within an hour's drive less than that for Drogheda and Dundalk.

Figure 2.3: Population within 60km of Urban Centres



Source: IDA Ireland.

Stronger Promotion of the Region as a Tourism Destination

Along with the Troubles, the under-selling of the tourist potential of the cross-border region in years gone by has contributed to its underperformance in visitor numbers and spend, which we have showed above.

Happily, we are living in very changed times (notwithstanding the recession). There is stability in the North and a new opportunity for the Carlingford Lough region to capitalise on the supply and demand drivers of tourism under consideration here.

There is also a new determination by the tourism development agencies – FI, the NITB and Tourism Ireland – to promote the area more proactively and to ensure more balanced development in regard to tourism on the island.

The importance of tourism for the island economy generally is undeniable and both administrations are embarked on a series of initiatives to promote and encourage greater visitors to the island. This is also the case in the region under consideration, where a range of positive developments are underway and will together ensure a coherent and attractive tourism offering for the visitor. The cross-border organisation EBR is also playing a strong role in the process, all of which will benefit the proposed car ferry (see Figure 1.1 on p. 6 for a map of signature tourism projects in the cross-border region).

Direct Support of the Proposed Car Ferry by Senior Tourism Agency Personnel

PMCA understands that senior representatives from FI, the NITB and TI have expressed strong backing for the project, in the form of letters of support.

In particular, Dr. McCloughan of PMCA understands that *Mark Henry*, TI's Central Marketing Director, has given strong positive comment to the car ferry proposal by way of a formal letter of support saying that Tourism Ireland believes it would contribute positively to the tourist infrastructure in the north eastern part of the island and it would be a great addition to the car touring experience in the area given the importance being placed currently on the tourism potential of the Carlingford/Mournes area. It is also understood that *Kevin Moriarty*, Head of Operations and Business Supports within FI (and also a member of the LEF) has given strong positive backing to the proposal by way of a formal letter of support commenting that it looks like such a ferry service would provide an essential link to the Mournes and open up the whole Carlingford/Mourne region and would be an important support to tourism development in the area. Further, Dr. McCloughan understands that *Alan Clarke*, Chief Executive Officer of the NITB, has provided a letter of support welcoming the development of the car ferry service, commenting that the Mournes is one of its signature projects, which will be enhanced by good access. The ferry, he said, would fit in well with the Mournes Coastal Route which NITB are developing.

Narrow Water Bridge

Further Enhancement of the Profile of the Region

Narrow Water Bridge will be the first civil engineering project linking the two parts of the island of Ireland. It will be a project of international as well as national significance and one with the potential to be a 'game-changer' in promoting tourism and economic development in its cross-border region.

The project gained planning permission on both sides of the border in October 2012 and, on 24 October 2012, it was announced that the project will be funded in full under EU INTERREG IVA.

The unique combined fixed cable-stayed and moveable bascule bridge design will facilitate cyclists and pedestrians as well as vehicular traffic between Omeath and Warrenpoint (about 12 miles upstream from the proposed car ferry) and will help to address the tourism underperformance of the area, thereby promoting economic development and much-needed job creation. It will also facilitate vessels to travel up and down the Newry River/Carlingford Lough.

Like the proposed car ferry, the bridge will open up the cross-border Carlingford Lough region and make it easier for residents, businesses and visitors to traverse the area in a circular route. It will complement the region's tourist strategies – including the INTERREG Geo-Park Project – and will itself be a draw for visitors from near and far. It is envisaged that tour operators travelling between Dublin and Belfast will be attracted to the bridge.

Facilitate the Development of Complementary Tourism Facilities

Narrow Water Bridge will be a major contribution to transport infrastructure and visitor amenities enabling better and lower cost crossing between the border in the Carlingford Lough area. It will complement Carlingford Lough Car Ferry by facilitating more footfall into the region and thereby stimulating additional demand for the service.

Summary of Tourism Potential of the Cross-Border Carlingford Lough Region

Summing up the discussion so far, the area in which the car ferry will occur has undeniable tourist potential. With the announcement of Narrow Water Bridge and various other visitor initiatives planned or underway, combined with the signature status of the region in the promotion by the tourist development agencies North and South, PMCA considers that now represents a golden opportunity to realise the tourism potential of the region and facilitate the sustenance and creation of jobs.

2.4 Previous Studies of a Car Ferry on Carlingford Lough

The previous studies on the feasibility of a car ferry on Carlingford Lough are: Blackwell ('Carlingford Lough Ferry Feasibility Study') (1993); Falconer Stewart/Shannon Ferry Limited ('Carlingford Lough Car Ferry Business Plan') (2000); and Campbell Conway Consulting ('Business Case Analysis to Support the Introduction of a Greenore Greencastle Ferry Link') for the Newry-Dundalk Joint Chamber Forum (2005).

All of the studies conclude that a car ferry over Carlingford Lough (between Greenore and Greencastle) would be financially feasible and would have significant local economic impact (which we consider subsequently in Section 3). The studies also consider the economic *need* for a car ferry.

In looking at the user demand for a car ferry service, the most recent of the studies by Campbell Conway Consulting (CCC) (2005) looked at diverted traffic and new traffic, taking account of traffic counts in 2004. In particular, CCC observed that the traffic counter at Ravensdale on the then N1/A1 Belfast-Dublin road (now the M1/A1) showed an annual average daily traffic (AADT) flow of 18,886 in either direction in that year, of which 13.5% were made up of heavy commercial vehicles (HCVs) (this AADT figure increased by 8.3% on the level in 2003 the CCC study notes – reflecting the buoyant economic climate of the time). With reference to the earlier Blackwell study of 1993, which estimated 3.5% of the traffic on the then N1/A1 (now the M1/A1) culminating in or emanating from south east County Down (i.e. 661 AADT potentially divertible on the car ferry), CCC employed the more modest assumption of a potential diversion rate of 2.1% or 1.8165% net of HCVs,¹⁸ implying potentially 343 AADT using the car ferry – attracted by the time savings of up to 45 minutes and distance savings of up to 25 minutes through use of a car ferry, which CCC believed would be sustainable.

In respect of new traffic, CCC (2005) estimated that the presence of a car ferry would create additional demand from (1) new business, labour market fluidity and educational/student traffic of 40 AADT and (2) new tourism, day-tripper and leisure journeys of 50 AADT.

When the effects of both diverted traffic and new traffic are considered together, the CCC study (2005) estimated potential demand for a car ferry equivalent to 2.3% of the traffic on the (now) M1/A1 Dublin-Belfast (Eastern Corridor).

The tourism uplift of a car ferry implied by the CCC study (2005) is in the region of up to 3%, based on the additional 50 AADT stimulated by the new link and assuming an average of 2 persons per car (no HCVs), giving an extra up to 36,500 visitors into the cross-border Carlingford Lough region as a result of the existence of a car ferry (on top of the estimated 1,162,672 visitors to the region in Table 2.7 above) (excluding the 40 AADT in the CCC study classed as passing traffic not stopping/staying in the region).¹⁹

¹⁸ HCVs would not use the car ferry.

¹⁹ To be clear, the estimated uplift of up to 36,500 visitors into the region as a result of the ferry arises as the result of the product of the 50 AADT in the CCC report of 2005, 365 days per year and the assumption of an average of 2 people per vehicle.

The estimated additional 36,500 visitors represents 13.6% of the total number of visitors to Louth in 2010 and 4.1% of the number in Newry and Mourne in that time, which implies a substantial uplift afforded by the car ferry.

2.5 New Survey Evidence of Need

As stated earlier, we have learned from management at Carlingford Tourist Office that one of the most frequently asked questions by visitors to the area is:

“Is there a car ferry across Carlingford Lough?”

This in part stimulated the backers to carry out a new survey in respect of the proposed car ferry.

Methodology

The promoters carried out over 3,200 face-to-face interviews during the course of 2011 to establish the following aspects of need:

- The current level of day and bed-night visitors in the whole catchment area;
- The appetite to make use of the proposed ferry by those visitors at various destinations in Newcastle, the Silent Valley, Cranfield/Kilkeel and Kilbrony, and, on the southern shores, reverse surveys were conducted in Carlingford, Ballymascanlon and at both service stations on the M1 in north Louth;
- Travel patterns to identify start and destination points of various traveller types;
- The reasons why drivers would elect to use the ferry;
- If they would actually use it when available;
- The price point for single and return cars;
- The appetite of the key tourism agencies North and South for the ferry proposal;
- The quality of support from hospitality organisations;
- The current attitude from local authorities and planners to the ferry proposal;
- The support from elected members to the ferry link; and
- The current attitude from residents to the ferry link.

Results

Of the 3,200 people surveyed, between 72% and 90% said they would either “welcome” or “very welcome” the introduction of the Carlingford Ferry from Greenore to Greencastle. Less than 2% expressed objection to the link. An average of 70% of those surveyed said they would use the ferry.

The 3 key reasons for using the Carlingford Lough Car Ferry from the survey are:

- “Enhance accessibility between the Mournes and Cooley area”;
- “Provide a novelty attraction of using a ferry on a scenic location (uniquely in a cross-border context)”;
- “Shorten journey times and avoiding the Newry congestion (practicality of the ferry)”.

3 Assessment of the Potential Economic Impact of Carlingford Lough Car Ferry

3.1 Previous Studies of a Car Ferry on Carlingford Lough

In commencing the assessment of the potential economic impact of the proposed Carlingford Lough Car Ferry, it is instructive to consider the economic impact of similar car ferries (between Greenore and Greencastle) in previous studies. A synthesis of the economic impacts outlined previously is provided in Table 3.1.

Table 3.1: Potential Employment Impacts in Previous Studies of a Car Ferry on Carlingford Lough

| Study | Year | Route | Estimated Employment Impact (FTEs) | | |
|--|-------------|----------------------|------------------------------------|--------------|-------|
| | | | On-Site | Off-Site | Total |
| <i>Campbell Conway Consulting (CCC)</i> | 2005 | Greenore-Greencastle | 31.5 | 33 | 64.5 |
| <i>Falconer Stewart (Business Plan, Shannon Ferry Limited)</i> | 2000 | Greenore-Greencastle | 16.5 | 6 | 22.5 |
| <i>Local County Council (Blackwell)</i> | 2001 (1993) | Greenore-Greencastle | 10 | Not detailed | 10 |

Source: PMCA review of previous studies of a car ferry on Carlingford Lough.

The studies vary widely in terms of their economic (i.e. employment) impact, ranging from total employment impact of 10 FTEs in the case of the Louth County Council/Blackwell study (the earliest study, 1993) to 64.5 in the CCC study of 2005 (the most recent study until now).

We review the highest previous estimate of jobs that could be created as a result of a car ferry on Carlingford Lough, namely the 64.5 FTEs in the CCC study. How realistic/feasible is this estimate?

The total 64.5 jobs impact estimated in the CCC study of 2005 is the sum of on-site and off-site employment. The on-site jobs were estimated to be 31.5, arising through direct, indirect and induced employment. According to CCC, ferry services operating at other estuarine locations around the island of Ireland were observed to employ 14-20 staff members. CCC estimated that the proposed ferry service in 2005 would require the *direct* employment of 18 staff when both vessel crew and shore-staff are factored-in. The introduction of the ferry service would also assist in supporting and creating indirect employment of individuals in companies supplying goods and services required for the operation of the ferry service and CCC estimated that the ferry service would assist in the creation of a further 10.6 FTEs through *indirect* employment. *Induced* on-site employment generally refers to the employment effect arising from the expenditure of those directly and indirectly employed as a result of the operation of the ferry service and CCC estimated that the ferry service would assist in the creation of a further 2.9 FTEs through induced employment. Adding the direct, indirect and induced employment gives the on-site employment total of 31.5 FTEs estimated by CCC in 2005.

As explained in the CCC report, the multipliers used in that report were based on then available CSO input-output tables for the (composite) maritime/air transport sector for indirect effects and, for the additional induced effects, CCC made use of induced multipliers used by EKOS Economic Consultants in respect of the business case for the Greencastle-Magilligan Car Ferry on Lough Foyle.

PMCA considers that all of the calculations in the CCC report in respect of the on-site employment estimate of 31.5 FTEs are reasonable. However, since the CCC report, new information has become available and what are known as ‘Type II’ employment multipliers are now used to estimate both indirect and induced effects associated with a given direct level of employment.²⁰ Further, the latest available CSO input-output data pertain to different sector groupings than the (composite) “maritime/air transport” sector used previously in the CCC report.²¹

Dr. McCloughan of PMCA has estimated a Type II employment multiplier for the CSO-defined sector “water transport services” of 1.35.²² Thus, for direct employment of 18 FTEs (the figure estimated by CCC in its 2005 report), the Type II multiplier of 1.35 calculated here would imply on-site employment (comprising direct, indirect and induced effects) of 24 FTEs. This is lower than the estimate of 31.6 given in the CCC report of 2005 (which to be fair to CCC was based on different available data and multipliers at that time). It therefore appears that the CCC estimate of 31.5 FTEs from on-site employment is high given our knowledge of estimation techniques and available data currently.²³

But this is not the end of the story and consideration also needs to be given to the estimated 33 FTEs estimated in respect of *off-site* employment in the CCC report of 2005.

According to CCC, a car ferry service at Carlingford Lough has the potential to impact significantly on the local economy. Users will spend money in the local economy, in turn helping to support existing jobs and create new local employment. On the basis of the uplift in traffic into the region as a result of the car ferry service, CCC estimated, “at a bare minimum”, the generation of a further €1,650,000 in the local economies of both Louth and Down, which in turn would be sufficient to generate or support approximately 33 FTEs using (then) Bord Fáilte (now FI or Fáilte Ireland) multipliers of tourism impact.

In our previous assessment of the economic need for a car ferry at Carlingford Lough (see in particular Sub-Section 2.4), we estimated the tourism uplift of a car ferry implied by the CCC study (2005) to be in the region of up to 3%, based on the additional 50 AADT stimulated by the new link and assuming an average of 2 persons per car (no HCVs), giving an extra up to 36,500 visitors into the cross-border Carlingford Lough region as a result of the existence of a car ferry (on top of the estimated 1,162,672 visitors to the region in Table 2.7, p. 14). In the table concerned (Table 2.7, p. 14 of this report), we noted that the average visitor spend in the cross-border Carlingford Lough region is €115.2 and that the employment per €m visitor spend is 30 (2010 estimates). This implies 126 FTEs from off-site employment, suggesting that the wider, off-site employment impact estimated in the CCC report of 2005 is on the low side (but bearing in mind that the estimate of 126 FTEs jobs here is based on the region capturing all of the 3% uplift in visitor numbers referred to in the CCC report).

Our review of the CCC report therefore suggests that the total jobs impact of 64.5 FTEs estimated in that study may be an underestimate. The economic impact is examined further below.

²⁰ See, for example, the methodologies for Types I and II multipliers available at <http://faculty.washington.edu/krumme/systems/multp.html> and at the website of the Scottish Government <http://www.scotland.gov.uk/Topics/Statistics/Browse/Economy/Input-Output/Multipliers>.

²¹ The most recent CSO input-output data enabling estimation of Type II multipliers incorporating induced as well as indirect effects relate to 2005. The CSO prepares input-output data relating to the Irish economy on a five-yearly basis and the next IO tables are due to be published in 2013.

²² In its 2005 input-output tables, the CSO lists air transport services separately from water transport services, and PMCA estimates a Type II employment multiplier for air transport services of 1.63.

²³ Taking an average of the PMCA-calculated Type II multipliers for water transport services (1.35) and air transport services (1.63) would naturally mean total on-site employment closer to the estimate given in the CCC report (where those consultants had to rely on the former aggregated CSO sector “maritime/air transport”).

3.2 Economic Impact – Employment and Spending

Employment Impact

PMCA considers that the method of separating the potential jobs impact of the proposed Carlingford Lough Car Ferry into *on-site* and *off-site* employment effects, as done in the CCC study of 2005, is appropriate. That general approach is maintained here (whilst employing more recent data and Type II multipliers as explained above).

On-Site Employment

The on-site employment impact of the proposed car ferry will depend on the number of crew and support staff that can be sustained by the facility. The CCC study worked on the basis of 18 direct FTEs, taking into account other ferries around the island at that time. Adopting the same level of direct employment as used in the CCC study (18) and applying the PMCA-estimated Type II multiplier for water transport services of 1.35 implies that the on-site employment impact of the car ferry will be 24 FTEs.

Table 3.2: Estimate of the Potential On-Site Employment Impact of the Proposed Carlingford Lough Car Ferry

| Employment Impact | FTEs |
|---------------------------|------|
| <i>On-Site Employment</i> | |
| Direct FTEs | 18 |
| Indirect and Induced FTEs | 6.2 |
| <i>Total</i> | 24 |

Source: PMCA.

Off-Site Employment

The off-site employment impact is potentially significant and the benefits will be maximised if the tourism potential of the region can be maximised. This will necessitate proactive promotion of the new facility and the region itself, and all of the visitor attractions on offer. The promotion process will be ongoing – no region can expect to attract significant visitors without continual marketing.

Based on the earlier analysis of the size of the tourism market in (the narrowly define geographic market of) Louth and Newry and Mourne (Table 2.7), it is estimated by PMCA that every 0.5% increase in visitor numbers into the region (from the 2010 estimate of the value of the market, €133,939,600) is associated with 20 additional FTE jobs (this takes into account the estimate given in the same table that employment per €1,000,000 spend in the region is 30 FTEs). Thus, a 1% increase in the market (which would see an additional €1.34m visitor spending in the region) would see an additional 40 jobs and a 2% increase (equivalent to €2.68m extra expenditure by visitors) would see 80 additional jobs etc.

At a minimum, bringing together both the off-site and on-site employment impacts would mean 44 FTEs being created and sustained as a result of the proposed car ferry (see Table 3.3). In the case of the 3% uplift in tourist numbers, the on-site and off-site employment impact is 144 FTEs.

Note that these figures pertain to the relatively geographic market definition Louth and Newry and Mourne. When the tourism market is widened geographically, as it should be, the impact is amplified. We return to the case of the wider geographic market below.

Table 3.3: Estimate of the Potential On-Site and Off-Site Employment Impacts of the Proposed Carlingford Lough Car Ferry – Based on the (Narrow) Louth and Newry/Mourne Tourism Market

| Employment Impact | FTEs |
|------------------------------------|------------|
| <i>On-Site Employment</i> | |
| Direct FTEs | 18 |
| Indirect and Induced FTEs | 6.2 |
| <i>Total</i> | <i>24</i> |
| <i>Off-Site Employment</i> | |
| 0.5% Uplift in Visitors | 20 |
| 1% Uplift in Visitors | 40 |
| 1.5% Uplift in Visitors | 60 |
| 2% Uplift in Visitors | 80 |
| 2.5% Uplift in Visitors | 100 |
| 3% Uplift in Visitors | 120 |
| <i>Overall Jobs Impact (Lower)</i> | <i>44</i> |
| <i>Overall Jobs Impact (Upper)</i> | <i>144</i> |

Source: PMCA.

Spending Impact

Associated with the estimated employment impact of 44-144 (Table 3.3) is a corresponding spending impact estimated at between €1,168,317 and €4,516,807 per year respectively in the narrow geographic market of Louth and Newry and Mourne (the spending and employment impacts will be even larger as we widen out the geographic market – see below).

The estimate of €1,168,317 is arrived at as follows. The direct income impact of the estimated 24 (to be precise, 24.2 FTEs, Table 3.2-Table 3.3) on-site FTEs is estimated at €557,116, based on an average (gross) salary of €23,000.²⁴ To this direct spending impact we must factor-in the associated indirect and induced spending impacts. PMCA has estimated a Type II *income* multiplier for the CSO activity “water transport services” of 1.79, which implies a gross on-site income effect (comprising direct, indirect and induced effects) of €999,238 per year. Assuming that half of this will be taxed or saved, the net on-site income effect is estimated at €498,619.

When in addition the aforementioned tourism impact is added in – namely the minimum of €669,698 associated with 0.5% uplift in visitor numbers into the Carlingford Lough region – we get the minimum spending impact of €1,168,317 per year. The higher spending impact of €4,516,807 is based on 3% uplift in tourism into the region.

²⁴ According to the CSO’s latest Earnings and Labour Costs data, the average annual earnings (gross) in 2011 was €35,905 (inclusive of overtime and irregular earnings), within which the CSO-defined sub-sector “arts, entertainment, recreation and other service activities” (€23,404).

The bigger the spend, the greater the jobs impact and a key driver of the economic success of the project will be promotion and marketing of the new facility, which can rely partly on the existing campaigns by FI, the NITB and Tourism Ireland – all of which give new, enhanced status to the region as one of the island’s leading visitor destinations. From 2015, Narrow Water Bridge will also be important.

Allocation of Employment Impacts North and South

It is impossible to accurately estimate the proportions of the estimated new jobs and/or spending that will accrue to the Louth and the Newry and Mourne sides of Carlingford Lough. The distribution of the economic benefits will depend on visitors’ itineraries and choices. The key issue is maximising the number and spend of visitors in the region and not necessarily aiming for an equal distribution of the benefits.

In the earlier analysis of the size of the market (Table 2.7, p. 14), it was estimated that, of the €133,939,600 total spend in 2010, Louth accounted for €73,728,780 or 55% and Newry and Mourne for €60,210,819 or 45%. The reason for the slightly lower spend in Newry and Mourne (even though it had more visitors) is that visitors to that part of the region are mostly day-trippers with lower average spends.

It is possible that both parts of the region will benefit approximately equally from the proposed car ferry but above all else it should be remembered that what is good for one side of Carlingford Lough will also be good for the other side owing to the ferry and the added link provided in the form of Narrow Water Bridge, which together will open up the whole cross-border region.

Inclusion of Down District Council Area

Summing up so far, the analysis reveals that, even in the narrow geographic definition of the tourism market (consisting of Louth and Newry and Mourne, which completely bound Carlingford Lough), the impact of the proposed car ferry in terms of economic development and employment is estimated to be significant, with the potential for well over 100 jobs resulting from the initiative. Making this estimate all the more likely is the inclusion of other areas contiguous to the cross-border Carlingford Lough region – for example, Down, whose tourism market we estimated earlier based on latest STEAM data.

In the larger geographic market definition comprising of Down District Council area, Louth and Newry and Mourne, it is estimated that every 0.5% increase in visitor numbers into the region (from the 2010 estimate of the value of the market, €496,160,777, presented in Table 2.10, p. 15) is associated with 74 additional (off-site) FTE jobs (taking into account the estimate that employment per €1,000,000 spend in the region is 30 FTEs).

This leads us to the revised version of Table 3.3 above – Table 3.4 below – where we have added the effect of Down to the earlier analysis for the narrower geographic market of Newry and Mourne and Louth. It is seen that the on-site jobs impact is the same as before but the off-site jobs impact is now even greater due to the larger market through the inclusion of Down. At a minimum, bringing together both the off-site and on-site employment impacts would mean an estimated 98 being created as a result of the proposed car ferry. This estimate assumes just 0.5% growth in tourism as a result of the ferry. With 3% growth, the total (on-site and off-site) employment is estimated to be much higher at 471. Averaging the lower and upper estimates of 98 and 471 suggests an average employment impact of 284 FTEs, which is considerable.

The corresponding spend per year necessary to sustain this increase in employment in the wider region comprising Louth, Newry and Mourne and Down is estimated at between €2.98m and €15.4m.

Table 3.4: Estimate of the On-Site and Off-Site Employment Impacts of the Proposed Carlingford Lough Car Ferry – Based on the Wider Louth, Newry/Mourne and Down Tourism Market

| Employment Impact | FTEs |
|------------------------------------|------------|
| <i>On-Site Employment</i> | |
| Direct FTEs | 18 |
| Indirect and Induced FTEs | 6.2 |
| <i>Total</i> | <i>24</i> |
| <i>Off-Site Employment</i> | |
| 0.5% Uplift in Visitors | 74 |
| 1% Uplift in Visitors | 149 |
| 1.5% Uplift in Visitors | 223 |
| 2% Uplift in Visitors | 298 |
| 2.5% Uplift in Visitors | 372 |
| 3% Uplift in Visitors | 447 |
| <i>Overall Jobs Impact (Lower)</i> | <i>98</i> |
| <i>Overall Jobs Impact (Upper)</i> | <i>471</i> |

Source: PMCA.

Summary of Employment and Spending Impacts

A summary of the estimates of the employment and spending impacts of the proposed car ferry by geographic market definition are shown in Table 3.5.

In the narrowest geographic market definition, comprising Louth and Newry and Mourne, the total employment impact (on-site and off-site) is estimated to range from 44 to 144 FTEs with associated spending per year of between approximately €1.17m and €4.52m. When the geographic market is widened to include Down District Council area, the estimated employment and spending impacts are even greater (up to an estimated 471 jobs and annual spending of up to €15.4m potentially). These economic impacts will be even greater again if the region can succeed in attracting an even larger market along the Dublin-Belfast Corridor, where it would not be unreasonable to expect the ferry to help deliver 300+ jobs and annual spending of over €10m in the region.

Table 3.5: Summary of the Estimates of the Employment and Spending Impacts of the Proposed Carlingford Lough Car Ferry in Different Geographic Market Delineations

| Geographic Market Definition | Total Employment (FTEs) | | | Spend per Year (€) | | |
|--------------------------------|--|-------|---------|--------------------|------------|-----------|
| | Lower | Upper | Average | Lower | Upper | Average |
| Louth and Newry/Mourne | 44 | 144 | 94 | 1,168,317 | 4,516,807 | 2,842,562 |
| Louth, Newry/Mourne and Down | 98 | 471 | 284 | 2,979,423 | 15,383,442 | 9,181,433 |
| <i>Dublin-Belfast Corridor</i> | <i>At least 300 jobs and over €10m annual spending in the region</i> | | | | | |

Source: PMCA.

3.3 Other Impacts

Complement Other Visitor Initiatives (Planned and Existing) in the Cross-Border Carlingford Lough Region

One of the general features of tourism is that visitor facilities and products complement rather than compete with each other. Tourists prefer to see and do more things (attracting them to and keeping them for longer in destinations) and that is why we observe tourist clusters (e.g. in Ireland, the main tourist clusters are Dublin, Kerry and Galway/Connemara/Mayo, where visitors can choose among a large range of accommodation, pubs and restaurants and amenities, all complementing each other and serving to generate footfall and critical mass).

The cross-border Carlingford Lough region has the potential to become a major tourist cluster/destination on the island, given its favourable location on the Belfast-Dublin Corridor, access to population and its natural scenery. However, in the past, this potential was not realised due to lack of infrastructure and amenities as well as the Troubles and lack of vision/promotion.

The landscape has since changed and today there is much greater promotion of the region and recognition of its potential by the tourism agencies North and South. The recent announcement that Narrow Water Bridge is to be funded in full under INTERREG IVA is a significant development and this will be a major draw and anchor attraction to the region when it is completed in mid-2015. The business case for Narrow Water Bridge, which Dr. Pat McCloughan of PMCA helped to coordinate for the project partners (EBR, Louth County Council and Newry and Mourne District Council), rested partly on its draw for visitors and its economic impact will include helping realise the tourism potential of the region.

Inter-Community Relations, Quality of Life and Access to Services

The proposed car ferry at Carlingford Lough will also serve to improve inter-community relations and people's quality of life by improving access to services.

Access to essential services such as medical services, pharmacies, supermarkets etc. will improve the social wellbeing of the community and remove the barriers of isolation and access. Existing commercial and leisure outlets will have an increased population on their doorstep that will need servicing (owing to the increased numbers of tourists expected to visit the region) and the greater social interactions will have human as well as economic benefits.

On the ground, it is expected that partnership among residents, communities and local businesses of the region will be positively impacted. Arising from the work completed in respect of the Narrow Water Bridge project, Dr. McCloughan was struck by the strength of social connection across Carlingford Lough. This is also evident in the new survey evidence showing a high level of support for the car ferry.

Providing easier access and enhanced connectivity among the communities and businesses will open up the potential to share community facilities and allow greater access to cross-border funding packages in a range of activities, including social and sporting pursuits in the years to come.

4 Concluding Remarks

A car ferry on Carlingford Lough has been an aspiration for well over 25 years. The backers of the proposed project – Carlingford Lough Car Ferry – have brought the concept to a level not seen previously using purely private funding.

In sum, the reasons for supporting the ferry are as follows:

- Economic impact – in terms of direct and knock-on jobs, the project has significant employment potential (we would envisage at least 300 jobs being created and sustained in the region as a result of the proposed Carlingford Lough Car Ferry);
- This will also entail annual spending in the region averaging at least €10m;
- It will open up the cross-border region and both sides of the lough will benefit;
- The initiative is not reliant on any public money and therefore not in competition with any other project for scarce public monies;
- The backers of the project, who have committed significantly to its development, have extensive experience of the ferry business;
- The project will reduce journey times and the cost associated with traversing the cross-border region;
- The ferry will help to link the communities closer together and provide new opportunities for business by effectively expanding the market;
- There is strong support from potential users of the ferry service; and
- It will be a further signal of the strides that have been in the Peace Process.

Greencastle to Greenore Ferry Proposal Update- February 2013

Introduction:

Carlingford Ferries has been working on a proposal for a car ferry service between Greencastle and Greenore for five years. In the past this project has been suggested and discussed at different levels but never came to fruition.

This is a private sector funded initiative, financially backed by three families from Clare & Limerick. The proposal is now at a scoping stage further than it has ever got to before. Two of the families were founding members of the Shannon Ferry on the River Shannon, the longest running car ferry service on the island of Ireland, established in 1968.

All the families involved have separately run their own successful family businesses for many decades and employed several hundred people over the years.

Carlingford Ferries understands how important it is to have the backing and support of local residents and local representatives. We are very sensitive to the fact that some people have concerns about the unknown. We are committed to dealing with any concerns raised in an open, transparent and responsible manner.

It is important to recognise this is an opportunity for a major and responsible investment in an area which has suffered from a lack of investment in the past. The job creation potential of the ferry is very significant, as shown by a recently completed independent Economic Impact Appraisal. The recently announced funding for the Narrow Water Bridge is a positive development and Carlingford Ferries sees the proposed bridge as complimenting the ferry and vice versa.

Carlingford Ferries is confident and satisfied that a service between Greencastle and Greenore would contribute positively to village life in both locations without undue impact on the local community or environment. In the 43 year history of the Shannon Ferry, relations with the public have always remained on the very best terms and the village of Killimer, Co. Clare (which is

comparable to Greencastle in many respects) has retained its charm and character while providing local employment and wider tourism benefits.

During the past year Carlingford Ferries has been meeting with local representatives at different levels on both sides of the border to assess local views around the ferry proposal.

Carlingford Ferries representatives have met and spoken with residents from both sides on a number of occasions throughout the process and is now in a position to discuss further details of the project with interested residents.

In April/May 2012 Greencastle residents were consulted via a survey with questions about the proposed ferry service to consider local views. The results have been collated and further information is outlined below. We have been working through the issues people raised in support of and against the proposal and hope to address any concerns. We are keen to engage and keep residents informed about developments now that the project is moving out of the scoping stage.

Further to this newsletter we would like to invite local residents to join us at an information event. At this event residents can find out more about how the proposed development would look, what it would mean for the area and address any specific concerns raised with the relevant authorities.

This event will take place on Friday 22nd February at Grange School from 4pm-8pm with Greencastle Area Resident's Association hosting a Q&A session at 7.15pm. Everyone is welcome to come along.

We have taken into consideration the views expressed in the door-to-door surveys and indeed individual concerns raised about the project.

Therefore the proposal looks significantly different now than when it was originally put forward, and we hope this amended proposal will address any concerns people may have. Artist

impressions of how the project will look have been enclosed and these and further images will be available for discussion at the information evening.

Update from RPS:

RPS, project managers for the proposal, have been working on many different elements of the project. This includes a complete and conclusive Environmental Impact Assessment.

The EIA began in September 2011 and concluded in December 2012. Independent experts investigated the impact that the ferry service would have from the perspective of ecology, fisheries, water, air & climate, geology & soils, landscape & visual and cultural heritage. The results of the EIA are being collated into an Environmental Impact Statement which will be publically available in the near future.

The initial feedback we have received from RPS from an environmental perspective has been very positive. In addition to the Environmental Impact Assessment, Carlingford Ferries has completed hydrographic, hydrodynamic and topographic surveys.

RPS is also responsible for the design of the civil engineering infrastructure. In order for residents and interested stakeholders to understand what the project would look like if completed, we have commissioned photo-montages.

Enclosed is an example drawing and elevation of the proposed infrastructure and also photo-montages which show what the Greencastle area looks like now in the vicinity of the proposed terminal and what it would like if the development proceeds will be on display at the information event.

Survey Findings:

Through local knowledge and the Electoral Register 56 households were identified in Greencastle. Stakeholder Communications has been engaged to guide Carlingford Ferries through carrying out a consultation. Stakeholder Event Management managed the survey process and collated the findings.

Each of the households were either visited on one or two occasions with surveys posted

through letterboxes in properties where there was no one home. Other households were sent a survey in the post or on other occasions neighbours photocopied and distributed copies of the survey.

By giving households every opportunity to respond 80% of households chose to do so. The findings are outlined below and Carlingford Ferries hopes to work closely with residents and local representatives to address concerns that have been identified.

The findings have identified that 27% of households are broadly supportive of the ferry proposal whereas 37% households are broadly not supportive of the proposal or have concerns.

16% of households were either uninterested or neutral about the process while 20% chose not to respond.

The main issue of concern identified appears to be focussed on the condition of the Greencastle Pier Road and the fear of increased traffic. These concerns are currently being addressed via engagement with DRD & Roads Service. Environmental concerns have been addressed in the Environmental Impact Assessment, the results of which as outlined will be freely available to the public.

Carlingford Ferries is committed to taking on board the views of the local community and we are hopeful that our revised proposals reflect and address concerns raised through our engagement process.

We are committed to ensuring residents have all the information required and have been dealing with individual concerns. We encourage anyone with questions ahead of the information event to contact us via email at paul@carlingfordferries.com or via telephone on +353 861 704 701.

Alternatively we look forward to seeing you at the information evening taking place on **Friday 22nd February at Grange School from 4pm-8pm.**

You are welcome to call in at any time during this period to speak one-to-one with the team behind the project.

Paul O' Sullivan - Carlingford Ferries

Summary Status of Proposal

Background

- Five public-funded ferry viability studies since 1993 (including Newry and Mourne District Council, Dundalk Chamber of Commerce, Newry Chamber of Commerce, Louth County Council & East Border Region Committee);
- Reports all signalled financial, operational & navigational integrity;
- December 2012 Economic Appraisal by Dr. Pat McCloughan confirms need for and long term viability of the service and integrity of the project to complement proposed Narrow Water Bridge by creating a circular route, or alternatively as a standalone infrastructure;
- Completely private sector funded initiative;
- Previous efforts to launch this service relied on public sector financial intervention, fuelled by InterReg's brief at that time;
- Current Promoter's work began in October 2006;
- The Newry – Dundalk Joint Chamber Forum Report (supported by the EU InterReg Programme) dated 10th March 2005 concluded that up to 33 full time direct and indirect positions could be created by the introduction of the ferry service and in its first year of operation;
- Tourism generating capacity of the ferry service is immense. The Mournes is one of Northern Ireland Tourist Boards key Signature Projects. The ferry would enhance access and communications, strategically link the Mourne Coastal Route with the driving route developments in the Republic being implemented by Failte Ireland and drive the promotion of Mournes / Cooley as one "destination" rather than 2 separate and distinct regions;

Stability

- The normalisation of politics in Northern Ireland and improved relationships intra-island has created vastly improved mobility & a new positivity toward this linking infrastructure. This was the trigger to the current promoters work in 2006;
- The emergence and recognition that the critical mass and destinations contained within South Down, Louth North of the Boyne and East Armagh have the potential, if marketed holistically as a region, to create a major destination for Irish and overseas visitors and be a new stimulant for economic growth that is rich in jobs;
- Carlingford Ferries has private sector funding commitments to bring this project through the planning application stage in both jurisdictions and operational;

Promoter's modus - Carlingford Lough & Surrounds

- Less than an hours drive from Ireland's two major cities, Carlingford Lough nestles between the Slieve Foy in Co. Louth and the Mourne mountains in Co. Down. A unique blend of natural beauty, spectacular panoramas, myths & legends combine with a modern day cultural infrastructure;
- In 2008 Carlingford village was honoured with the award of Ireland's European Destination of Excellence;
- The Mourne Area of Outstanding Natural Beauty is one of Northern Ireland's most popular tourist areas;
- Within a 60km radius of Carlingford there is a population of 764,000 people. This sees the Carlingford area as the 3rd largest population catchment area in the country (after Drogheda: 1,722,964 and Dublin: 1,684,465). By contrast Cork (490,635), Limerick (461,796), Waterford (330,000) and Galway (324,912) all have much smaller catchment areas;
- Within a one hour drive of Carlingford are the following attractions:
 - Dublin and Belfast cities
 - Newgrange
 - Proleek Dolmen
 - Ancient Hill of Tara
 - Battle of the Boyne site
 - Mountains of Mourne
 - Slieve Gullion forest drive
- Within a two hour drive of Carlingford are the following attractions:
 - The Giant's Causeway – a World Heritage Site
 - Spectacular Antrim Coast drive
 - Strangford Lough
- Geopark Status: There is a potential for the first geopark to span both sides of the border in the Mournes / Cooley / Carlingford area. Geoparks are areas of significant geological heritage that represents the basis for sustainable tourism. Both European and global geopark designations are supported by UNESCO. There are 53 geoparks in the world. A ferry service on Carlingford Lough would be a very necessary infrastructural link if Geopark status was granted and indeed the ferry would significantly contribute to the development of the Geopark;
- It was realised that a non-contentious landing site at Greencastle would be essential. The promoters worked to agree to option-purchase the only navigable landing site to the East of the village, thereby avoiding through traffic.
- Two potential landing sites in Greenore were considered, and one was ultimately decided upon;

- Consultants, RPS, were commissioned to investigate and advise on suitable navigation routes, develop outline structural design & commission a full Environmental Impact Assessment (completed Dec 2012);
- Complete hydrographic and topographic surveys of the relevant areas of Carlingford Lough and its surrounds have been completed (October 2011 to November 2012);
- Over 3,200 face to face surveys were undertaken by the Promoters during the course of 2011 to establish:
 - The current level of day & bed-night visitors in the whole catchment, as validated by the 3 local authorities
 - The appetite to make use of the proposed ferry by those visitors at various destinations in Newcastle, Silent Valley, Cranfield/Kilkeel, Kilbrony in Northern Ireland. On the Southern shores, reverse surveys conducted in Carlingford, Clarke's Ballymascanlon and in both Applegreen M1 service stations
 - Travel patterns to identify start & destination points of various traveller types
 - The reasons why drivers would elect to use the ferry
 - If they would actually use it when available
 - The price point for single & return cars
 - The appetite of the key tourism agencies North & South for this ferry proposal
 - The quality of support from Hospitality providers' organisations
 - The current attitude from local authorities and planners to the re-emergence of the proposal
 - The support from elected members to the ferry link
 - The current attitude from residents to the ferry link

Key outcomes of surveys & progress to date

- There was an aggregate 2.7 million day visitors into the whole Mourne area in 2009 as measured by Down DC and Newry & Mourne DC's STEAM process, of which one-third stayed over at least one night. Visitors have increased by a compound 4% annually since 2006;
- There has been a measured 52% increase in visitor enquiries in Carlingford Tourism's office from 2006-2010. They estimate that in excess of 1 Million visitors came in 2010;
- 3,200 people surveyed by Carlingford Ferries in 2011 at 8 locations to gauge public appetite for the ferry – Newcastle, Kilkeel, Cranfield, Rostrevor, Tollymore Forest in Northern Ireland and Carlingford, Ballmascanlon and the M1 at Castlebellingham in the Republic of Ireland;
- Between 72-90% said they would either "Welcome" or "Very Welcome" the introduction of the Carlingford Lough Ferry service from Greenore to Greencastle. Less than 2% expressed objection to the link;
- An average of 70% of those surveyed said they would use the ferry;
- 81% of Southern respondents in favour of the ferry link, believed a single fare of €12 and return of

€18 was reasonable, about 10% higher than support for that tariff from NI responses. A majority of Northern interviewees believed that the Strangford Ferry was “free”, whilst most Southern respondents bench-marked costs with similar Shannon or Passage East services;

- The 3 key reasons for using the Carlingford Lough ferry from the questions asked, were:
 1. Quicker access to Mourne & Carlingford areas
 2. The novelty of using a ferry akin to Strangford, Killimer, Waterford or Lee
 3. Shortening journey times and avoiding Newry congestion
- Residents groups in both Greenore and Greencastle have been actively engaged with. Public meetings have been held in both locations. Continuous engagement and dialogue is being undertaken;
- According to the surveys carried out by Carlingford Ferries over multiple days over multiple months in 2011 at the Applegreen Service Stations (North and South bound) on the M1 near Castlebellingham, vehicular movement into and from South Down in the direction of Dublin was never less than 3.2% of the daily traffic on the M1, or a minimum 640 vehicles per day. 2.0% was from the heel of South Down ie a radius of 20-miles from Killeel;
- The Mourne is one of Northern Ireland Tourist Board’s key Signature Projects. Alan Clarke, CEO of NITB has identified how this will be enhanced by good access and how the ferry would be an attraction in itself and fit in well with the Mourne Coastal Route;
- Failte Ireland, Tourism Ireland and the Northern Ireland Tourist Board recognise the need to promote the Cooley Peninsula and the Mourne as one destination rather than 2 separate and distinct locations in order to maximise the tourist potential of the regions – an infrastructural link is essential to achieve this, borne out by the support that the agencies have given the ferry proposal, below;
- Mark Henry, Tourism Ireland’s Central Marketing Director, has given strong positive comment to the proposal by way of a formal letter of support saying that Tourism Ireland believes it would contribute positively to the tourist infrastructure in the north-east of the island and it would be a great addition to the car touring experience in the area given the importance being placed currently on the tourism potential of the Carlingford / Mourne area;
- Kevin Moriarty, Head of Operations – Business Supports, Failte Ireland has given strong positive backing to the proposal by commenting that it looks like such a ferry service would provide an essential link to the Mourne and open up the whole Carlingford / Mourne Destination and would be an important support to tourism development in the area;
- Management at Carlingford Tourist Office have confirmed that one of the most frequently asked questions by visitors is “Is there a car ferry across Carlingford Lough?”
- Carlingford & Cooley Tourism Association and the Mourne Destination bodies have both given formal welcome to the initiative and Mourne Heritage requested a full presentation. Individual

organisations such as the Chestnutt & Milne holiday parks and the Carlingford Adventure Centre, Warrenpoint Chamber of Commerce, Killeel Development Association and Killeel Tourist Office have given strong support;

- Pre-planning meetings with Craigavon Division and Louth County Council have established the extent of obligations, in particular the 12 actions required under the Environmental Impact Assessment, that will precede completion of planning submissions. The EIA began in September 2011 under the auspices of the EU Habitats Directive and concluded in December 2012. The EIA investigated the impact that the ferry service would have from the perspective of ecology, fisheries, water, air & climate, geology & soils, landscape & visual and cultural heritage. The EIA results will be made publically available;

Observations from work to date

- There was a compelling interest in the prospect that a Ferry from Greenore to Greencastle would bring destinations within “touching” distance of the other side. Newgrange and the Boyne Valley sites are at 55-minute drive time from Greenore, as were right up to Strangford from Greencastle. In between, in accessibility terms, Carlingford and the Cooley and attractions such as the Equestrian Centre and Stadium at Ballyascannon and then Slieve Gullion are easy destinations for Northern traffic sailing into Greenore. Newcastle, Bryansford and Dundrum, all the Mourne peaks, the Silent Valley, Cranfield and Kilbroney become that much more accessible to Southern arrivals into Greencastle;
- The promoters are very confident that the high demographic of circa 760,000 living within a 60-minute drive time of ferry terminals, ensures the quality of the business case. By contrast, the next highest catchment supporting an estuary ferry crossing, that on the Shannon, has a demographic less than one-third that level;
- There was measurable survey indifference to visitor attractions and destinations in the “other” jurisdiction which requires priming. The marketing to profile, package and position activity-based offers is a challenge for which both state tourism agencies and providers is a clear must-do;
- There is under-development and low investment in a whole range of areas, eg packaged joint activities where attendant facilities are provided;

Conclusion

The Carlingford Lough ferry has been an aspiration for over 30 years. The Promoters have 45 years of association with the car ferry industry. They have brought this project to a level that it has never been brought to before.

In summary the following are the compelling reasons why the establishment of a car ferry service on



Carlingford Lough should be pursued and supported at this time:

1. Entirely private sector funded initiative;
2. Promoters have both experience of the market and the car ferry business;
3. Promoters are proven safe, conscientious operators;
4. Assist in promoting both sides of Carlingford Lough as attractive and easily accessible tourist destinations;
5. Address an obvious and long standing need for such an infrastructural link;
6. The ferry link would provide cross-community and business linkage;
7. Established bus tours operators, home & visiting motorhome users surveyed, together with the emerging strong market for stay-cationers, all signal interest to develop and/or advantage of new service offerings when a ferry link established. In many ways the ferry is only a conduit to link destinations currently not easily available and, will prompt further investment
8. Direct, independently assessed employment potential of 24 full time jobs and 300+ sustainable indirect jobs would materialise;
9. Time savings / efficiency gains that users of the ferry will enjoy as a result of more efficient travel patterns;
10. Considered as a genuine cross border / cross community project which will help to promote greater community interaction and understanding;
11. Improved access to educational opportunities.

Paul O'Sullivan (+353 86 1704701)

Director

**Carlingford Ferries
Questionnaire
Chestnutts, Cranfield**



1 Where do you live (country & town / city)?

2 Are you in the Mourne area for

| | | | | |
|---------|------------------|--------------------------|-----------------|-------------------------------|
| Holiday | Day/Weekend Trip | Visit Family/ Friends | Sport - specify | Other - please specify. |
|---------|------------------|--------------------------|-----------------|-------------------------------|

3 Have you visited the Mourne region before? How frequently (times per year)?

 frequency

4 What is your transport mode

| | | | | | |
|-----|-----------|-------|------|-----------|-------|
| Car | Motorhome | Coach | Bike | Motorbike | Other |
|-----|-----------|-------|------|-----------|-------|

5 How many in your party

6 Have you visited anywhere else on this trip

| | | | |
|---------|----------------|------------|----------|
| Belfast | Ards Peninsula | Nth Antrim | Nth West |
|---------|----------------|------------|----------|

7 Where will you go after your visit

| | | | |
|------|--------------|-------------|-------------|
| Home | Belfast area | Dublin area | Carlingford |
|------|--------------|-------------|-------------|

8 Would you welcome a car ferry across Carlingford Lough linking the Mourne and the Cooley Peninsula?

| | | | | |
|--------------|---------|------------|-----------|----------------|
| Very welcome | Welcome | No Opinion | Unwelcome | Very Unwelcome |
|--------------|---------|------------|-----------|----------------|

9 Is £17 round trip; £11 single, reasonable (car + all passengers)

 yes no if no, what

10 Would you use the ferry, if available

 yes no maybe

11 Have you visited Carlingford before? How frequently?

 frequency

12 In order of importance how would you rate the following reasons for using such a ferry service? (1 is most important; 4 is least important)

| | |
|----------------------|---------------------------------------|
| <input type="text"/> | enhance access to carlingford area |
| <input type="text"/> | enhance access south to dublin region |
| <input type="text"/> | avoid newry traffic |
| <input type="text"/> | experience novelty factor |

13 Have you used inland car ferries before How many times in the last 5 years?

| | | | | |
|------------|-------------|---------|------|-----------|
| Strangford | Lough Foyle | Shannon | Cork | Waterford |
|------------|-------------|---------|------|-----------|

volunteered comments