



Killybegs Fishery Harbour Centre Marketing Strategy

Report of Steering Group of Key Officials of State Agencies

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Roinn Talmhaíochta, Iascaigh agus Bia
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"...What you come to say about Killybegs is that there is a magnificent natural harbour there where vessels can run for refuge already, but that the place is unable to get the benefit it might out of this place, because there is no pier at which to land goods; and you have come here to ask this Committee to recommend a commercial pier to be built at Killybegs?"

"Not a commercial pier at all. A natural harbour of refuge exists here already, which will take in an area of 150 miles of coast; and in order to make it available for all the vessels passing along 150 miles of coast, I come here to ask you to expend a small and moderate sum of £10000 towards making it the most perfect harbour in Europe..."

William J Doherty, CE, giving evidence, Digest of the Evidence given before the Select Committee on Harbours and Fisheries, W J Doherty, M H Gill and Son, Dublin, 1885.

Conclusions and Recommendations

1. The successful economic development of Killybegs will depend on a series of actions in different areas which will complement each other and as a whole lead to a vibrant and prosperous town and hinterland.
2. In terms of using the excellent harbour facilities in Killybegs to encourage and create extra additional activities in the town, what has to be involved in this marketing initiative must be the creation of new business and that is what is aimed for here - it would not make sense from a national point of view if all that was involved was displacement of existing activity from other ports. The EC are aggressively pursuing a policy of shifting goods from road to sea.
3. Measured by volume, 99% of the island's foreign trade uses the maritime supply chain. Most recent capacity requirement predictions point to a lower than previously anticipated shortfall. Nonetheless, a shortfall of 12.2 million tonnes is predicted over the next decade - see 'Ports Policy Statement 2005' published by the Department of Communications, Marine and Natural Resources. There is therefore ample opportunity to create and encourage completely new business through the leveraging of local facilities to the maximum - the deep skill base, underutilised factories and warehousing, excellent tourism potential and of course the new harbour.
4. The biggest challenge facing Killybegs is its over-dependency on the fishing industry. Fish landings had been in decline for a number of years but the situation has improved with 106,000 Tonnes landed in 2007 and 65,000 Tonnes landed to date in 2008. A new spirit of enterprise and opportunity needs to be fostered. The reality is that Killybegs has a town and hinterland which have superb natural advantages, including an important fishing industry, which can be leveraged to bring back the air of prosperity and hope which Killybegs once had. Key to this is cooperation by all concerned who live and work in the area to cooperate with each other for the sake of the overall good.
5. Successful ports result from:
 - a. Port operation efficiency
 - b. Competitive pricing / cargo handling charges
 - c. Reliability
 - d. Port selection preferences by shippers/receivers/carriers
 - e. The depth of channel and shelter.
 - f. Landside accessibility and supporting ancillary services
 - g. Product differentiation
6. Killybegs can break into new markets or increase its share in its existing markets based on its flexibility and cost advantages. Cost advantages are usually relevant in the price conscious market that we have in Ireland today, but quality also plays a significant role in exporters/importers logistics decisions. There are firms who will sacrifice quality for a lower price, but this preference for a lower price at the expense of quality, has certain limits. Killybegs needs to be at the upper end of the quality scale and competitively priced in the short to medium term.
7. Reliability is also one of the most consistent features that a firm will take into account when switching its port services or supply chain. If Killybegs is serious about growing its market share it must be able to provide a consistent product, i.e. availability to potential clients. If there are certain periods that the port cannot compete for trade, then this clearly needs to be upfront and included in any future marketing campaign, pitching the service expectation levels realistically will also be a key factor. To provide



the impression that a port is available 365 days a year, 24 hours a day, 7 days a week, and a potential client then to find the reality is that it is available only 180 days a year, 12 hours a day, 5 days a week, will destroy the service offering. The result is that the reputation of the port will suffer and business decline.

8. As regards landside accessibility and infrastructure, although the port has superb inner harbour facilities, a wider view of the hinterland connections and access to the port needs also to be taken into account. Any inefficiency in the regional or local connecting infrastructure to or about the port will ultimately undermine the port's potential. Other issues that must be considered are the development of ancillary services that will support the targeted niche markets, such as logistics centre and warehousing proximate to the port. There are a number of local service providers who will need to adapt to the changing environment and seek to exploit this potential, i.e. mechanical and engineering plants, cold stores/warehouses, etc. A co-ordinated local approach to these issues driven by the Port and stakeholders could see the port develop itself as a strategic logistics hub centre for the whole of the North West, expanding its services beyond its primary foreground of port activity. While the Port might not be in the business of handling containers, it could establish itself as a strategic storage container depot for the north-west for ports in the south and east coast, thereby reducing double runs of empty container equipment unnecessarily. However, container storage is a hungry beast within a port's landside footprint and as such this would need to be carefully balanced in what can realistically be done.
9. The other potential role for the port of Killybegs is to act as a regional gateway that reduces the amount of traffic that potentially travels unnecessarily by road around the country, incurring additional expense and also pollution.

Infrastructure

10. A sine qua non of economic development is good infrastructure and access. The main priorities in so far as Killybegs is concerned in this area are electricity, sewage and access roads, and broadband in the surrounding hinterland.
11. The electricity distribution infrastructure in West Donegal remains a major issue when it comes to economic development and investment. West Donegal, including Killybegs, needs a better electricity supply and this should be remedied as soon as possible. Business in West Donegal needs to be more vocal in ensuring the improvements planned by the ESB are implemented. In general it must be accepted that the trade-off in terms of economic development and the environment is a reasonable one and that if the quality of electricity is not improved jobs will be lost - both existing and potential.
12. An adequate town sewage scheme is a requirement to promote tourism and development in general and must be provided as a matter of urgency. Plans are in place to upgrade facilities. Advertisements are to be placed for tenders for sewerage works to serve the new fish processing plant to be located at the end of the new harbour. The new sewers, pumping station and sea outfall are part of the Killybegs Sewerage Scheme which is being funded by the Government to the tune of €20 million. It is understood that other elements of the Killybegs Sewerage Scheme are being advanced as quickly as possible with a new wastewater treatment plant to be provided for the town as part of a combined contract to include Bundoran and Glencolmille. The new plant is expected to be operational by 2010 with Donegal County Council presently preparing tender documents for the work. The Killybegs Sewerage Scheme is part of the Government's Water Services Investment Programme 2007-2009 which commits to investment in wastewater schemes to ensure that discharge into lakes, rivers and coastal water meet the highest international standards.



13. To enable the carriage of goods out of the harbour to other centres of population in the North-West and indeed elsewhere in the country, access roads to Killybegs need to be upgraded. Similarly, broadband needs to be available in the areas around the town.

Fishing facilities

14. Killybegs should aim to reaffirm itself as Ireland's number one fishing port with a reputation for efficiency and operational know-how. Every effort should be made to increase landings and onshore processing. Consideration should be given to the best way of achieving success here through marketing, attending fish fairs and otherwise.
15. This will involve introducing the most modern auction, landing and distribution systems based on up to the minute communication methods, as has been recommended in the Report of the Seafood Industry Strategy Review Group, December 2006. Such facilities are already operating in competing markets for fish such as Norway where fish are bought and paid for before a vessel lands. A system such as recommended in turn will ensure a fair and transparent market is in operation, which also is of considerable benefit from a fishery protection point of view. This project has been discussed for years - it should be implemented now, without delay. The Seafood Strategy Implementation Group should give the matter priority attention.
16. Although there has been a major investment in the new pier, this should not mean that the other facilities should not be improved. A programme of improvement works should be drawn up to be carried out over the next ten years as funding permits to improve and maintain the Old and Blackrock piers. In this connection, it would be logical that a priority would be to remove the drying area between the New Pier and the Blackrock Pier. It is also unacceptable that the larger fishing boats should have to run their generators when tied up - electricity should be provided at the Blackrock pier at a minimum.
17. In fishing as with other harbour activity, the greatest possible flexibility is required in the operation of the harbour. This will be even more necessary and important if and when the harbour has competing activities looking for space. Such flexibility also must apply to fishery protection staff. In the interest of the area and its development, all staff must act in a positive and flexible manner and the Department of Agriculture, Fisheries and Food should see to it that this is the case.
18. Whatever services are available elsewhere, all services used by fishing boats and fishermen (e.g. boat registration, name changes, licensing) should be available in Killybegs where most of the customers operate. If it is not possible on a permanent basis in the short term from an administrative point of view, such services should at a minimum be available in Killybegs on at least one or two specific days a week.
19. A veterinary inspection post, at a minimum to deal with fish, should be established immediately as the laboratory facilities to enable this are already in place. Cold storage is also available. It is understood that consideration of this question is at an advanced stage by the Department of Agriculture, Fisheries and Food.
20. Killybegs should also have a helipad from both a safety point of view and also as an aid to the fishing and offshore oil business.



Fishing, Food Processing and By-Products

21. Every effort must be made to maximise the spin-off from fishing in terms of value and employment. Much of our fish is still exported fresh or in bulk. There remains the capacity to add substantial value and create employment from the processing of landings as well as through aquaculture in the surrounding areas. The potential and possibilities here are well set out in the Report of the Seafood Industry Review Group (Cawley Report), December 2006. United Fish Industries ("UFI") have received planning permission to construct a €50m fishmeal and fish oil manufacturing facility at Killybegs. It involves the construction of a modern, state-of-the-art facility, which will play a vital role in underpinning Killybegs as Ireland's premier fishing port. The workforce is expected to average over 70 during construction, which will take 2 years.

New Business

22. Cargo tonnage handled in Killybegs is extremely small and less than other small ports such as Sligo, Dundalk, Kinsale or Youghal. As mentioned above the capacity to increase throughput is considerable.
23. There must be a new positive approach to getting, accepting and catering for new business.
24. The areas where progress in this respect can be made above all others are in the offshore oil and gas sector which operates in a marine environment and where fishermen can be retrained to operate in a milieu with which they are familiar. Alternative energy development on-shore would also be a complementary activity, given the excellent environment in terms of the North Atlantic on Killybegs's doorstep and the mountainous terrain and strong wind patterns in the North-West of Ireland for the development of wind-farms.
25. The first requirement is to set down in an open and transparent fashion those products which can be landed in Killybegs and on what basis, especially price.
26. The first principle must be that the harbour is kept clean and tidy and not used as a lay-down facility for cargo. New cargo should be lifted off the harbour within 24 hours and if left for longer should be subject to extra charges or penalties.
27. There should be no problems about discharging containers, timber, steel, stone and similar products, or indeed bulk cargo, even coal, if it is bagged.
28. Loose bulk cargos and loose coal are more problematic from two points of view. Firstly they can get blown away and can pollute surrounding areas. Secondly they are visually ugly and can as a consequence be argued to be incompatible with tourism objectives. The fishing industry in particular has strong objections to such cargos as they feel that any fish landings in the vicinity could be polluted.
29. It is possible however that there could be experimental landings of bulk cargo other than coal during the fishing off-season from March to September, when fish can be landed at the old pier and other cargo at the new pier. Landings would be on the basis that due precautions be taken against possible side effects and that the cargo be removed from the pier immediately. The results of such landings could be studied to act as a guide as to whether such landings should continue and on what basis. The issue of coal could also be reconsidered in this context. Decisions in this area would be a matter for the senior manager recommended below at 36. In any event, this is a longer term issue and may not arise at all if there is sufficient business in other products. As of now business is good.



30. A further issue which needs to be considered is the provision of craneage on the pier. At the moment cranes are hired in on an ad hoc basis. As business increases it would be useful to have a full-time mobile crane on the pier, which should pay for itself in rental costs.

Oil and Gas Business

31. It is important in particular that activities in the oil and gas business are encouraged in the area so that the dependency on fishing is reduced. Other marine-type activities can be developed based on offshore oil and gas exploration and delivery as well as wave and wind energy projects. In this connection, it is important that the marine-type skill-base which has been built up can be sustained.
32. Killybegs has already established itself as a centre for servicing the offshore oil and gas business. The opportunity exists to further increase this business and this should be encouraged in every way, as this is the type of work which is most appropriate as a substitute to fishing and the appropriate skill base is in existence already. Again, flexibility and a positive attitude are what is required; if that were to exist this business will naturally expand. There are indications that this type of business will double in the next year or so and this in itself is very good news for the town and surrounding area. Existing training for the industry should be continued and enhanced.
33. Although many of the oil and gas platforms are just off the Donegal coast, and in spite of the fact that there is now a large supply of qualified local labour, there are no local workers employed offshore. While it is accepted that in the end of the day it is the prerogative of the oil companies to decide on whom they employ, this is an unacceptable position and the issue should be raised by Government at the highest level with the oil exploration companies.
34. Killybegs should also see itself a natural centre for the servicing of marine wave and wind energy as well as windmills on the mountains around the area. Killybegs lies beside one of the best areas in the world for the creation of energy from wave motion and wind, as well as having appropriate skills and back-up. The increasing price of fossil fuels makes renewable energy an attractive proposition. The Government has set an objective of 15% of electricity consumption on a national basis from renewable energy sources by 2010 and 33% by 2020. New wave basin testing devices are being established in the Maritime Campus in Cork Harbour, as well as a new off-shore grid connection site in Belmullet County Mayo, a new grant scheme for prototype wave power devices and a new support price scheme to ensure a good investment as well as a natural environment for such technologies. The Marine Institute, in association with Sustainable Energy Ireland, have established an Ocean Energy Test Site for scaled prototypes of wave energy devices in Galway Bay. The Board of ESB has approved a Strategic Framework to 2020 that will see major company investment in renewable energy, the halving of its carbon emissions within 12 years, and the achievement of carbon net-zero by 2035. Fifty percent of the overall investment package of €22 billion is geared towards investments in renewable energy. €4bn of this will be directly invested in renewable energy projects and €6.5bn will be spent facilitating renewables including smart metering and smart networks. Killybegs should advertise itself as open and ready for business in this area - the establishment of marine test sites, transportation by sea and servicing of plant and equipment.

Oil Rig Services

35. A debate exists as to the extent to which larger oil rig service jobs can be provided in Killybegs. Larger painting and servicing contracts are at present carried out in



Scotland or further afield and involve huge costs as the rigs have to be towed long distances. It is possible that some work of this nature could be carried out in Killybegs and it is recommended that a feasibility study on this issue be undertaken as a matter of urgency.

Management of Harbour

36. If however Killybegs is to be able to deal with new business, the following new arrangements are necessary:
- A completely positive and commercial approach to business.
 - The adoption of a new system of business planning which will include the drawing up of a five-year business plan, with clear yearly income and expenditure targets. Targets should also be set in due course for all port activities and progress monitored and measured on a yearly basis in keeping with normal business planning. Yearly outcomes should be published as soon as possible in the following year, as well as any amendments to the business plan. Five-year plans and yearly targets and outcomes should cover fish landings by value and volume, other exports and imports, as well as details of costs and expenditure. Complete flexibility and 24 hour working all the year round.
 - The appointment of new staff, including a senior manager to oversee the overall business of the harbour. The manager will be in charge of the organization of Killybegs Harbour and will deal with all management matters, including commercial and customer issues. This person should also act as the head of business development and marketing and should have a level of management autonomy to make business related decisions and have a clear mandate in this respect, in particular in relation to pricing structures and target commodities. The Harbour Master will report to this senior manager. The key skills involved here are management and organisational skills and the senior manager should have a good management record in a business with significant turnover. Knowledge of shipping, exporting, importing and harbour management would be an advantage.
 - It is possible that this appointment may have to be made in the context of and with due consideration to the other fishery harbours. In any event, Killybegs, as the largest fishery harbour and as the harbour with most potential for development, needs the full-time attention of an experienced manager for several years with a view to getting action on the ground as quickly as possible.
 - A clear statement by the harbour of the new arrangements and costs for tonnage - to be widely circulated and put on the web site.

Marketing Strategy

37. Before any marketing can take place on the ground, the arrangements recommended above in regard to acceptable imports and port management need to be put in place. The framework of new arrangements and products should be clearly set out in writing and put on the port's web site. Marketing of the new port of Killybegs can then begin in earnest through the web, publicity in relevant journals, newspapers and trade shows and directly to business. If the harbour works well and is flexible and competitive, then the news will travel through existing users and stevedores and the future will be bright.
38. Concerted and planned marketing with specific objectives and targets should be outsourced on a competitive basis to suitably qualified companies with a track record in this area.



Marina

39. A marina in Killybegs is part of Donegal County Council's plan to encourage marine tourism and will be a great boost to the town in terms of its tourism status and attractiveness. It is essential that this development goes ahead as a matter of urgency.

Tourism

40. Killybegs is at the centre of a beautiful part of Ireland stretching from the Bluestack Mountains to the east to Glencolmcille and has not really benefited to date from this position, largely because it did not need to as it was doing so well from fishing alone. There is now an opportunity to change this scenario.
41. Killybegs should see itself as a gateway to some of the finest scenery in the country, as well as an area which is rich both culturally and historically. Apart from that, it has excellent hill and coastal walks. In terms of hill-walking, there is no finer area, with rugged mountains all around, from the beautiful Sliabh Liag in the west to Sliabh Tooye in the north and the vast Bluestacks to the east.
42. In terms of angling, there are a number of fine salmon rivers nearby - the Eany, the Owenwee, the Glen River, the Gweebarra, the Eske, the Finn, the Erne and the Drowess. Added to this are numerous attractive estuaries and lakes with sea and brown trout, and sea-angling for numerous species, including blue-fin tuna.
43. Killybegs should promote its own maritime history, the story of Killybegs's fishing and its contacts with the sea which span centuries.
44. The Maritime and Heritage Centre is doing its best on a voluntary basis and with inadequate resources but a much bigger project is necessary with adequate premises and funding to show off the marine and other heritages of the town and surrounding area. This needs to be undertaken as a new stand-alone project.
45. Killybegs also needs to see itself as at the centre of a hub from which tourists can easily visit the area around the town, especially to the west towards Glen and the Gaeltacht. Here one has a long cultural, music and dance heritage going back hundreds and indeed thousands of years.

Cruise Ships

46. The new pier has led to the arrival of cruise ships and this has added a new dimension to tourism in Killybegs and it needs to promote some of the activities mentioned above in this connection.
47. Great credit is due to the Cruise Committee which has operated on a voluntary basis to encourage cruise activity. This Committee needs however to be better funded if such activity is to continue. Fáilte Ireland should examine what can be done in this connection and should help with a new visitor's guide to the town and surrounding area. Other issues which the Committee have raised also need to be addressed:
- signage at Harbour
 - toilets
 - taxis
 - rain shelter
 - public phones
 - access to Harbour by Committee members



Enterprise Ireland

Industry:

48. Enterprise Ireland (EI) has the capacity to support and fund indigenous enterprise as follows:
- Growth Fund - to assist established companies to become more competitive and grow exports
 - Technology advice and support for existing and new companies
 - Innovative High Potential Start Up (HPSU) Programme - to assist HPSUs to develop and grow
 - Research and Development Funds - Innovation Vouchers, Innovation Partnerships, Stimulation R&D Grants, R & D project led assistance etc
 - 37 overseas offices to assist client companies with export growth plans
49. EI also provide additional soft supports to clients whereby mentoring advice and consultancy are available. EI has been mandated by the Irish Government to work with companies that have 10 or more employees and that will have a turnover of more than €1m in the first three years. Enterprise Ireland client companies are also targeting export markets in the manufacturing and internationally traded services sectors. The Donegal County Enterprise Board works with companies in the 1- 10 employee bracket.

Community Enterprise Centre Programme:

50. In April 2008, Enterprise Ireland will be advertising a call for proposals targeted at local Community Enterprise Groups who wish to establish Community Enterprise Centres. This is a very useful fund for a new or existing community enterprise group who wishes to establish some enterprise space. Details of last year's call are in Appendix 3. Leader companies are also able to part fund Community Enterprise Centres up to €300k.
51. Any local group with substantial community representation may apply. For example, the Killybegs Chamber could apply for the scheme but would need to create a legal entity; usually this is a wholly owned limited company with the Chamber holding the shares and strong community representation.
52. To enable local cooperation among producer businesses and to consider how funding can be provided in cooperation with the State's development agencies, in particular Enterprise Ireland, it is recommended that a small local group be established specifically to this end composed of representatives of local business and the community, possibly chaired by a representative of the Letterkenny Institute of Technology (LyIT).
53. In any event, it is recommended that an Enterprise Centre for Marine Products be established, in cooperation with LyIT. Such a Centre would encourage the establishment of small businesses in the marine sector and promote research on new products and development.

Campus Incubation Programme:

54. Enterprise Ireland announced a new Campus Incubation programme for Institutes of Technology in February 2008. A national fund of €50 million will support enterprise-focused activity in three ways:
- Funding the purchase of industry-relevant research equipment
 - Providing more incubation space for start-up companies
 - Establishing market-focused research groups in the Institutes

