

Major developments at Derry Port are good news for North West

August 2006



Times are good for Londonderry Port. Over the last five years, turnover has increased by 26%, and profits have increased in line with turnover. They have secured a deal to site a £35m fish protein plant at Lisahally which could transform the local economy, and in another major boost to the north west's infrastructure, a new £16m oil terminal opened at the port's Lisahally site in June.

“There is a real buzz about the port because the people participating in all this development are seeing the results on the ground,” says port chief executive, Brian McGrath. “We are absolutely confident that having seen what we can do, we have the scope to transform this place and move it to another level.”

But the port has worked hard to get to this point, and is over halfway through a 5-year development plan, which has involved considerable investment. “In terms of capital investment, we have spent around £12m over the last 3 years,” says financial controller Stephen Gillespie. “This investment has now stimulated the growth which will see further increases in turnover and trade this year. It has enabled the port to secure new business and provide a better, more efficient service to our existing customers.

The new LSS oil terminal which opened at Lisahally in the summer was the first oil terminal to be built in Ireland for almost 50 years. It has a huge capacity of 76,000 tonnes and was a joint venture between local business LSS Ltd and Statoil.

As a result of this new high-tech, high-spec terminal, ships can now dock at the jetty at Lisahally, and deposit oil products. “It allows the direct importation and treatment of oil products such as unleaded petrol, diesel and home heating oil in larger volumes than before,” says Stephen Gillespie.

Up to now, these products had to come in lorries from Belfast or Dublin to reach this region. Now there is a local supply for filling stations, industry and home heating distributors. “This is a major boost for the North West in terms of self-sufficiency,” adds Mr Gillespie.

The port’s developing capacity was a strong advantage in securing the deal to site the new £35m KW Protein plant at Lisahally. The plant is a partnership venture between the Killybegs Fishermen’s Organisation and Norway-based Welcon ASA. Work is expected to start next year with a planned opening at the port in January 2008.

The new fish protein facility will generate at least 35 direct jobs and create up to 150 additional posts in related industries. However, having been to visit a sister plant in

Norway, port chief executive Brian McGrath believes the development has the potential to do much more than this.

He says that Welcon ASA has shown how a fish protein plant can boost the local economy and provide the spin-off for a multitude of enterprises to develop in response. “The Norway plant is based right on the water’s edge, and we could see that all of the industry needed to support it was blossoming there on the fjord.....the suppliers to the plant and the fishing industry that feeds it.”

He says the local economy is thriving as a result. “There is a clear parallel with the Foyle, and we have the potential to create just this kind of maritime hub here at home. Derry’s local economy could be transformed by major development of marine-based industry.”

In the meantime, the port’s expansion continues. The port chief executive recently revealed that a £2-£3 million development proposal is in the initial planning stages, with the aim of transforming the Lisahally site. Brian McGrath says they are seeking to create an extra 10 acres of space for general cargo needs and for re-locating the coal yard away from the quays, to free up more space there and improve the environmental impact on the

surrounding area. They already have their eye on a plot of land from the NIE and will spend the money on buying and developing the extra space.

This will be good news for local contractors and suppliers, as the port has always sought to use local businesses, subject to competition requirements. It is yet another example of how the port's continuing development is good news for the local economy. For Brian McGrath and his team, it's part of the ongoing process of strengthening their base. "The landbank purchase will provide the Commission with the platform for growth which we need to secure the long term future of the port."

Ends/

For further details call Trish Hegarty at Inis Communications: + 353 86 1740057