Castletownbere

An Economic Survey to Determine the Level of Seafood Activity and Establish its Economic Importance for the Region

Bord Iascaigh Mhara
Irish Sea Fisheries Board

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An Economic Survey to Determine the Level of Seafood Activity and Establish its Economic Importance for the Region

This report is the result of a collaborative action by local stakeholders to document and analyse the level of seafood activity in the geographical region centred on Castletownbere, Co. Cork, Ireland. The input of community stakeholders facilitated by Eibhlín O'Sullivan (Irish South and West Fishermen's Producer Organisation (ISWFPO) with the assistance of Frank Fleming (consultant to the ISWFPO), and co-ordinated by Rod Cappell (Poseidon Aquatic Resource Management Ltd) formed the basis of the quantitative and qualitative information presented. The provision of fisheries information and engagement with the process by State agencies is acknowledged particularly that of Bord Iascaigh Mhara (The Irish Sea Fisheries Board) who provided the support necessary to achieve the objectives of this study.

BIM Bord Iascaigh Mhara Irish Sea Fisheries Board

I S & W F P O

Poseidon Aquatic Resource Management Ltd

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Executive Summary

Castletownbere is the primary urban economic and social centre on the Beara Peninsula in South West Ireland. The harbour is one of the largest natural harbours in the world and is formed by Dinish Island to the south (hosting most of the fisheries infrastructure and processing activity) and the town of Castletownbere to the north. The town is set in a dramatic and largely unspoilt landscape that is an important asset in the development of secondary, tourist-based, economic activity.

Castletownbere remains the largest whitefish port in Ireland, with vessels from Spain, Scotland and France making significant landings of whitefish to the port alongside the local fleet. The total landed value of fish was €50.4m in 2010, with around 11,000t with a value of €23m landed by Irish vessels targeting pelagic species, monkfish, other whitefish and tuna and 7,500t with a value of €27m from foreign vessels targeting monkfish, hake and megrim. There are also significant landings of shellfish (*Nephrops*, crab and lobster) by the Irish inshore fleet.

Table i. The volume and value of landings by species group to Castletownbere from 2003 to 2010. Source: SFPA and local price information.

VOLUME (tonnes)	2003	2004	2005	2006	2007	2008	2009	2010
Demersal	10,594	9,358	8,726	7,996	11,742	8,797	11,242	12,522
Pelagic	1,153	2,039	4,594	3,315	10,750	5,343	8,394	6,096
Shellfish	385	98	83	9	70	79	92	25
Total volume	**12,132**	**11,495**	**13,402**	**11,319**	**22,563**	**14,219**	**19,729**	**18,643**
VALUE (€million)	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Total value (see Note 1)	**€22 - €33**	**€24 - €31**	**€25 - €30**	**€23 - €28**	**€43.55**	**€30 - €40**	**€38 - €49**	**€35 - €50**

Note 1: Estimating the value of landings is complicated, in particular when landings from foreign vessels are included and definitive price data are not available. In the table above the values shown include those provided by the SFPA and those based on local price data provided by the stakeholders' group raised to official landings. Throughout the remainder of this report only the latter are used.

Economic aspects

The population of Castletownbere is estimated to be between 900 and 1,000, and has shown a slight increase since the 2002 census (875). In terms of employment, 660 jobs representing 81% of the employment in Castletownbere, are related to fishing (Figure i). This remarkably high level of dependency, compared to 69% for Killybegs (which is also high), has been sustained in part due to a lack of alternative opportunities and the availability of employment in the fishing industry throughout the year as fish is landed from a wide range of fisheries. Castletownbere's dependence on a single economic sector could be viewed as a weakness, but the diversity within fisheries enables it to better cope with fluctuations in individual fisheries.

Key sectors of the west Cork regional economy, such as tourism and construction, have been particularly affected by the global economic crisis. These sectors, however, make a minimal contribution to the Castletownbere economy.

The export-dependent fisheries sector showed a small decline as recession began to hit in 2008, but has been comparatively robust and has grown in subsequent years. The local fisheries sector has been critical for local employment, as it has absorbed some of the losses seen in other sectors, such as construction. Those fishing part-time in previous years are now remaining within the industry on a full-time basis.

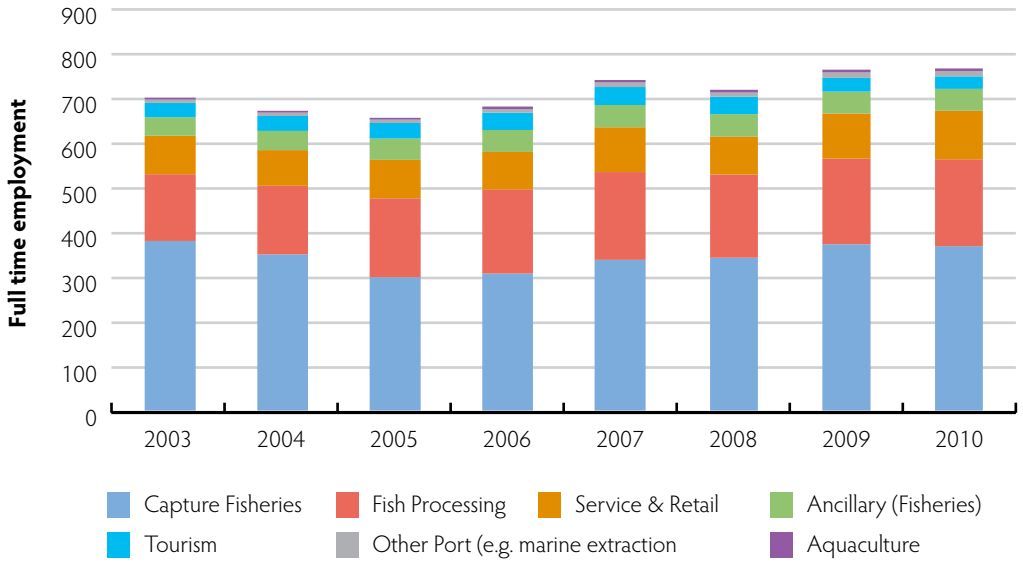

Figure i. Employment by sector in Castletownbere from 2003 to 2010. Source: Castletownbere Economic Survey.

In 2010, the total economic activity (turnover) of Castletownbere was estimated to be €149m. The fish catching and processing sectors account for over half (54%) of the town's economic activity (Figure ii). With the inclusion of aquaculture and ancillary sectors[1] this rises to 86% fisheries-related turnover with the induced spend by employees of these sectors making a substantial contribution to the service and retail sector of the town. The 24% of total turnover from the ancillary sector is mainly due to fuel sales. Local companies supply oil to the local fleet, foreign fleet and also to vessels based outside of Castletownbere. The total value of the ancillary sector, based on local fleet sales, is estimated to be €19m (17% of total turnover).

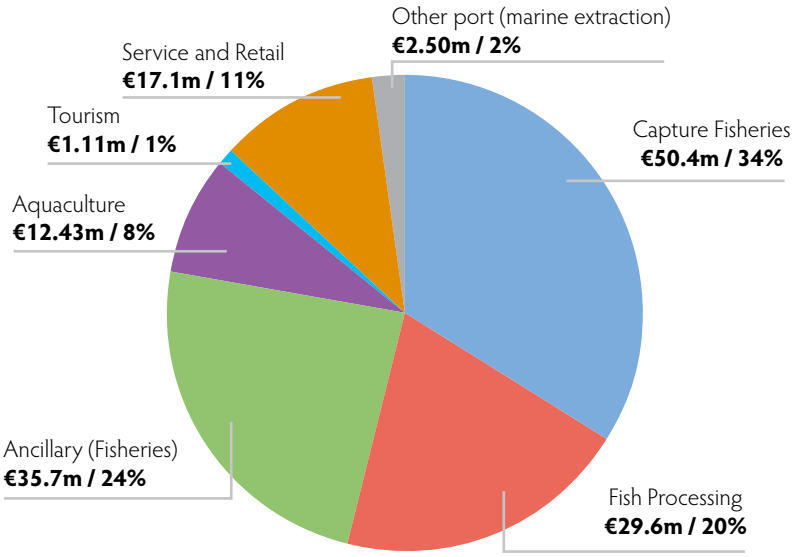

Figure ii. The contribution to the total turnover made by different economic sectors in Castletownbere during 2010. Source: Castletownbere Economic Survey.

Note: Aquaculture turnover relates to the Beara Peninsula not just to Castletownbere.

1 The ancillary sector includes vessel agents, fuel suppliers, chandlers, net repair, engineering (i.e. mechanical, electrical, hydraulic and refrigeration), fleet support (i.e. representation and management) and harbour services (e.g. ice, pilotage, synchro-lift).

Fisheries and Aquaculture Sector

There are 151 vessels employing 370 Full Time Equivalent (FTE) crew within the Castletownbere fleet. Of these, 106 (70%) are inshore vessels less than 12 metres in length. A further 14 (9%) are vessels between 12 and 18 metres in length. Of the 31 larger vessels (over 18 metres in length) 8 target pelagic species while the balance (23 vessels) make up the Castletownbere over 18 metre demersal fleet, targeting *Nephrops* and the main whitefish species (monkfish, megrim, hake, cod, haddock, whiting etc).

Despite the consolidation and reduction seen in the Irish fleet as a whole, the fisheries centre of Castletownbere has maintained its fleet and its overall fishing capacity has remained stable. The fleet lost a number of mid-range vessels through decommissioning, but reinvestment in new vessels has occurred and others have moved in from peripheral ports. The maintenance of fleet capacity over the last ten years was possible due to the varied fisheries targeted, resulting in continued fishing opportunities: as the quota in one fishery was reduced, another was increased or new opportunities were identified.

Adding value to the fish landed is derived exclusively from landings made by the local fleet. For every €1m landed by the fleet, a further €2.12m is created by the processing and ancillary sectors. Every job within the local fleet supports 0.66 jobs in the processing and ancillary sectors. For foreign fleet landings the situation is very different with some value gained by the ancillary sector, mainly through fuel purchases, but almost nothing for the processing sector.

Landings from Castletownbere's fleet of eight pelagic vessels are handled by fish agents based in the town. Catches may be landed into the Castletownbere Co-op, but more often are landed either direct to processors in Killybegs who take 37% of the catch by volume from Castletownbere-registered vessels, or elsewhere in Ireland or overseas. Those interviewed stated that, where possible, they land their pelagic catches locally in Castletownbere although it was sometimes necessary to land elsewhere due to weather and other factors.

The local polyvalent fleet supplies nearly all the raw material used by the processing sector in Castletownbere, with some additional (mainly shellfish) supplies sourced from other vessels.

There are three major processors based in Castletownbere employing nearly 200 FTE staff who had a turnover of approximately €30m in 2010. The good tuna season and high prices throughout 2011 are expected to result in a significant increase in this sector's turnover. The processing sector has a high dependence on local landings (66% of raw material), with additional supplies of shellfish delivered from around the region and country (31%). Only 4% of raw material is imported. This highlights the important economic correlation between the catching opportunities for the local fleet and the profitability of the local processing sector.

The processing sector's turnover and workforce have grown by over 30% since 2003. The relatively static daily output capacity, increasing by only 2%, suggests that this is mainly being achieved through improved handling and increasing the added-value of products rather than increased throughput. A 12% increase in refrigerated holding capacity has supported the development of value-added products and enabled more direct links to be made with major buyers on the continent.

The aquaculture sector in the region is mainly concerned with mussel culture and salmon production, with small-scale abalone culture also occurring in the vicinity of Castletownbere. The volume and value of aquaculture production has fluctuated over the last ten years, due in part to production cycles, but also the changing fortunes of a few key producers. In employment terms, the finfish-farming sector is estimated to employ 17 FTEs and the shellfish sector 68.5 FTEs in the wider Beara Peninsula area. In Castletownbere, employment in aquaculture is more limited with 4 administrative staff associated with salmon farming and 4 FTEs involved with locally based mussel production.

The ancillary sector in Castletownbere is very different to that found in Killybegs, Ireland's centre for net manufacture and marine engineering. Whereas the large ancillary sector in Killybegs greatly exceeds the needs of its local fleet, in Castletownbere this is only true for fuel suppliers, where sales attributable to the local fishing fleet represents 48% of the turnover (€19.3m); just over half the trade relates to servicing vessels elsewhere and servicing the foreign fleet. Relative to the size of the fleet, the specialist engineering sector is under-represented by local companies. This is due to the fact that specialist companies, based in Killybegs, are used, as required, to service Castletownbere vessels.

Drivers of change

Over the last number of years, the Castletownbere fleet has remained relatively stable, in contrast to the reductions seen in the national fleet. As the Castletownbere fisheries sector is export-dependent, it continues to be affected by changes in key markets such as Spain and France.

External drivers have had positive and negative influences on the Castletownbere fishing sector. Although the economic boom period known as the *Celtic Tiger* increased overall affluence, growth in other sectors exceeded that seen in the fisheries sector and job opportunities elsewhere made crew retention difficult. The recent downturn of the national economy has meant that locals are coming back to the area to work in the fisheries sector although some local skills shortages remain.

Recent trends are positive for some aspects of the fishing sector, with good prices and good landings in 2011, particularly for pelagic fisheries. Prime fish (i.e. high value species e.g. Brill, turbot, black sole) prices continue to be depressed on the continent and rising fuel prices pose problems for the industry.

Adaptation

The catching sector has adapted to increased fuel costs and the need to reduce discards through sourcing and operating more selective and lighter gear. Vessels have diversified into other fisheries such as alternative whitefish species, *Nephrops* and tuna. Pelagic vessels are supplementing their main herring and mackerel fisheries by targeting a number of pelagic species for fish meal (e.g. horse mackerel, blue whiting and boarfish).

Post-harvest adaptation has involved operating efficiencies through reduced energy costs and outsourcing some aspects of operations. Transport and distribution operations, for example, have struggled to remain profitable as processors supplying a depressed export market are not able to pass on additional fuel costs by increasing the price of their products.

The ancillary sector has looked to diversify into non-fishing sectors. For example, net manufacturers have diversified into leisure, aquaculture and safety equipment; fuel suppliers now serve the leisure sector and sea-going engineers seek land-based contracts in the quieter winter period.

The BIM Fisheries School was cited as an example of how the industry and wider community was adapting to changes. Local fishermen are assisted in up-skilling and the school creates a small influx of students from outside the Castletownbere area.

Access to finance was cited as a barrier to reinvestment by the fisheries sector. The value of tonnage has collapsed, reducing the assets that catching sector interests can borrow against. Local barriers to adaptation relate to limited infrastructure. The West Cork Enterprise Board's Strategic Plan identifies that "although the natural environment in which West Cork sits is an advantage… the lack of high quality road infrastructure and the distance from other major towns and cities has led to a shortage of high-skilled and high value added employment opportunities".

Opportunities

The proximity to fishing grounds and the high price of fuel makes Castletownbere an attractive landing location for vessels whether Irish or foreign. There may be the potential for more strategic linkages with foreign operators to encourage them to land more and do more to those landings before transshipment to the continent.

€40m of central funding for harbour development has eased over-crowding and has enabled Castletownbere to recover some of the foreign landings lost to other ports. However, with the economic crisis, landside development (public and private) has not occurred to fully support growth in maritime sectors. The harbour investment does however support and safeguard existing operations as well as providing new opportunities such as cruise liner visits planned for 2012.

The way forward

Attendees at a local stakeholder workshop held on the 19th October 2011 considered what actions could be taken to support Castletownbere and its fisheries sector (Table ii). A 'way forward', identifying how these actions could be delivered was also discussed.

The town has a Harbour Users Committee and the Community Development Association (CDA), but a small stakeholder forum to specifically address economic development of the town is proposed to drive the production of a jobs strategy. The group should engage with regional development organisations to seek their guidance, exchange information and explore potential funding streams. Some stakeholders suggested that creating a Fisheries Local Action Group (FLAG[2]) covering the Beara Peninsula would assist this process.

2 FLAGs are funded under Axis 4 of the European Fisheries Fund.

Table ii. Actions proposed by stakeholders to support the component parts of the Castletownbere fisheries sector.

Sector	Actions
Catching	• More co-operative working in catching sector • New gear adaptations and fishing techniques • Quality improvements – setting standards • Change the intervention process for fish as it is being used to set the minimum price for many species • Explore and develop potential for non fishing work such as Guard Vessel and FLO with the Oil and Gas Industry
Processing	• Tuna processing (smoking etc.) • Surimi processing of boarfish as well as other human consumption options • Frozen prawns at sea brand • Differentiate product in market place • Promote more in Ireland and UK so less straight to continent • Satellite seafood development centre for Castletownbere • Potential for adding value from foreign landings to be explored and developed
Aquaculture	• More aquaculture development and support including processing • Community-based licensing for aquaculture (possibly other developments)
Ancillary	• Community Ice Plant to service fishing and other food industries
Other sectors	• Pontoons/marina development for marine tourism • Tourism attraction – develop a focal point and additional shops, restaurants more closely associated with fishing sector • Support to the oil and gas and renewables sector

Conclusion

Castletownbere has a remarkably high dependence on the fishing industry. The dominance of a single, export-orientated sector could be viewed as precarious, but fishing has sustained the local economy throughout the difficult economic conditions experience in Ireland in recent years.

While the fishing sector continues to experience pressure from increased costs, primarily fuel, fleet capacity and catching opportunities are relatively stable. The Castletownbere fleet has shown it is able to adapt through diversification into other fisheries.

Opportunities exist to develop other marine sectors and tourism by focusing on the town's key assets; the harbour, the surrounding landscape and of course it's fishing industry. There are also development opportunities in the fisheries sector through more processed products from local landings and through diverting some foreign landings into the local processing sector. A jobs strategy, driven by a focused stakeholder group, is proposed to deliver these opportunities.

1 Introduction

1.1 General description

Castletownbere is the primary urban, economic and social centre on the remote Beara Peninsula in South West Ireland. It remains the largest whitefish port in Ireland, with vessels from Spain, Scotland and France making significant landings of whitefish to the port alongside the local fleet. Pelagic landings including tuna and shellfish are also important for the local Irish fleet.

The town is also a tourist hub for visitors to the Beara Peninsula, which is a rugged and relatively undeveloped stretch of coastline and hinterland that is popular with walkers.

1.2 Location

Castletownbere located in County Cork, South West Ireland (Figure 1), is the main town on the Beara Peninsula. It is 2 hours by road from Cork, the second largest city in Ireland.

Coordinates: 51° 39' N, 09° 54' W

Figure 1. The location of Castletownbere, West Cork, Ireland. Source: Google maps.

1.3 Key geographical characteristics

Castletownbere is on the Southern coast of the Beara Peninsula, which borders the north of Bantry Bay. Castletownbere harbour is one of the largest natural harbours in the world and is formed by Dinish Island to the south and the town of Castletownbere to the north. The harbour is protected from the Atlantic Ocean by Bere (or Bear) Island about 1.5km away. Bere Island is approximately 11km by 5km with a population of 210.

Dinish Island is connected to the mainland by a bridge and hosts most of the fish processing activity and marine-related industry on property leased from the State.

The town is set in a dramatic and largely un-spoilt landscape that is an important asset for the development of secondary, tourist based, economic activity.

2 Demographic Aspects

2.1 Population and population age structure

Castletownbere is within the Killaconenagh District Electoral Division (DED), the smallest administrative unit with census information. The population within this DED was recorded as 1,512 in 2011, which represents around 35% of the total population of the Beara Peninsula's 4,290 inhabitants (Table 1).

Table 1. Census records for the population of the district electoral divisions (DED) around Castletownbere in 2006 and 2011. DED Categories: A: Electoral Divisions where more than 67% of the total population are daily speakers of Irish; B: Electoral Divisions where 44-66% of the total population are daily speakers of Irish. Sources: CSO; 2011 census and West Cork Leader baseline data for 2006.

DED Category	Geographic Area	Total (2006)	Total (2011)	Male (2011)	Female (2011)	Change (2006-2011)	% Change (2006-2011)
A	Killaconenagh	1,463	1,512	751	761	49	3.3
B	Adrigole	461	467	252	215	6	1.3
B	Bear	187	216	124	92	29	15.5
B	Coulagh	507	525	284	241	18	3.6
B	Curryglass	362	383	201	182	21	5.8
B	Kilcatherine	794	805	427	378	11	1.4
B	Kilnamanagh	372	382	194	188	10	2.7
	Total	**4,146**	**4,290**	**2,233**	**2,057**	**144**	**3.4**

Within Killaconenagh, the Castletownbere town population is estimated to be between 900 and 1,000, which has grown slightly since the 2002 census (Pop. 875). The Local Area Plan estimated that by 2011 the population could be 1,000 people across 400 households. This estimated growth was attributed to good economic strength and quality of life attracting new residents. The recent downturn and economic migration being experienced across Ireland may mean that these estimates are not reached, but the 2011 census (Table 1) shows population growth of 3.3% in the area since 2006.

The Killaconenagh DED had a working population of 779 in 2006, amounting to 53% of the total population[3]. Applying this ratio to the 2011 numbers, this amounts to around 800 in total of working age living in the local area.

3 West Cork Leader baseline data report, 2006.

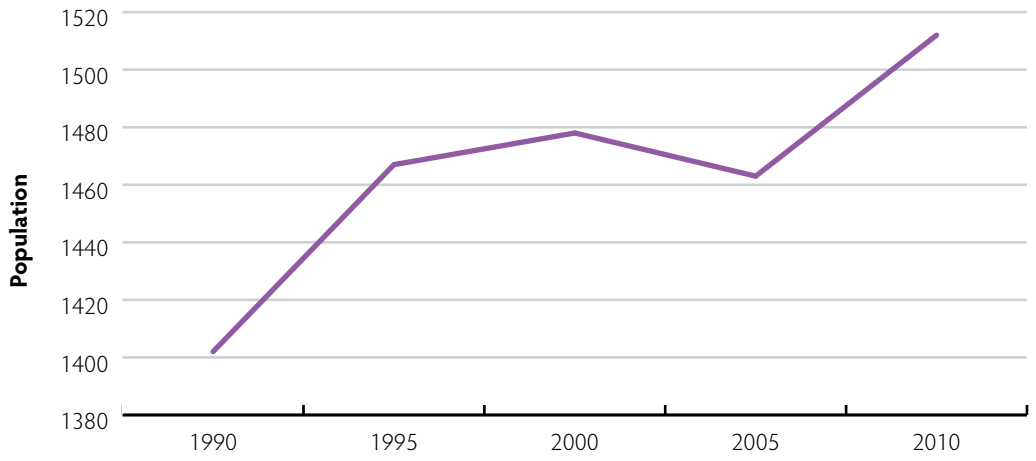

Figure 2. The population of Killaconenagh DED (containing Castletownbere) from 1990 to 2010. Source: CSO.

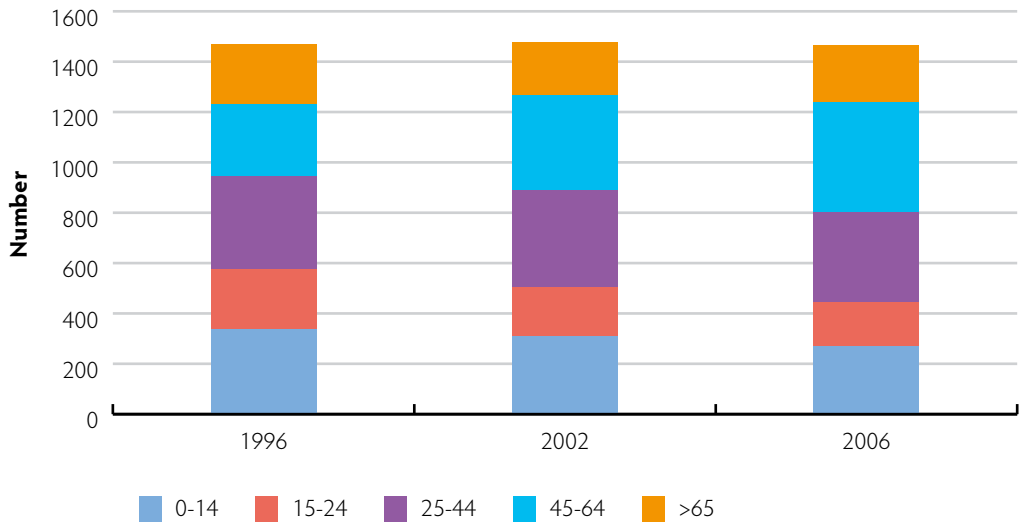

Figure 3. The age structure of Killaconenagh DED (containing Castletownbere) recorded by census in 1996, 2002 and 2006. Source: CSO.

2.2 Ethnicity and migration

Migration into and out of the Castletownbere area has been influenced by the fortunes of the Irish economy. In the last century the area, as with Ireland as a whole, experienced net emigration with residents leaving for work opportunities elsewhere. The rapidly growing Irish economy in the late 90's and first half of the 00's, termed the 'Celtic Tiger', resulted in improved prosperity overall and saw Ireland experience net immigration (Figure 4), but continued the migration of young people and workers out of rural and isolated coastal areas like Castletownbere to Cork and Dublin.

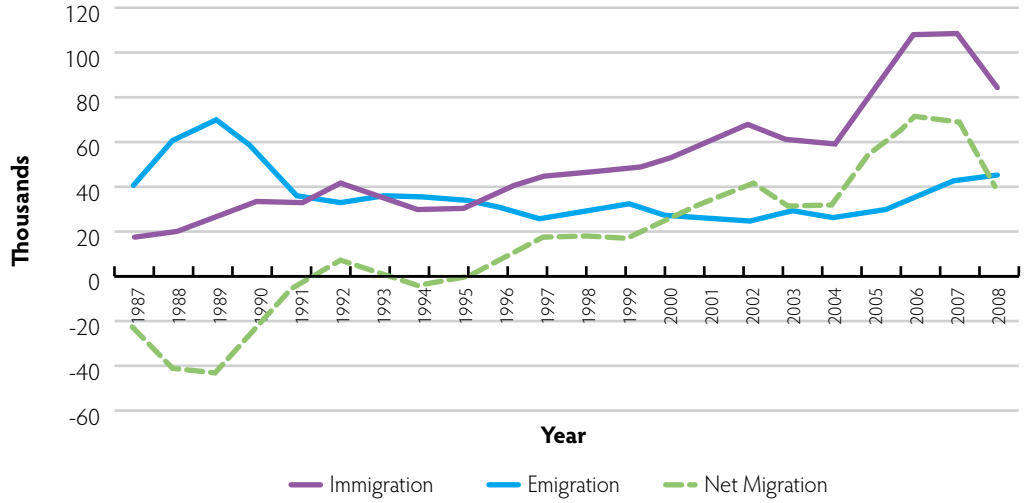

Figure 4. Immigration, Emigration and Net Migration in Ireland from 1987 to 2008. Source: CSO.

For the fisheries sector, Ireland's economic boom and the reduction in fleet capacity simply accelerated the trend that saw limited recruitment of young people into the sector. This resulted in a number of vessels and processing companies using immigrant labour from the new EU states in Eastern Europe and non-EU countries such as Egypt and the Philippines.

The more recent economic downturn has reversed some of these trends, and Irish workers are once again returning to their local area to seek employment. Similarly, young people are looking to local opportunities, including fishing, for skilled/semi-skilled employment. Conversely, for those with 3rd level education Castletownbere continues to offer only limited opportunities and many continue to move to Cork, Dublin and increasingly overseas in a new wave of economic migration.

For those who immigrated to Ireland during the last decade the trends are complex. While there is evidence that many EU nationals are returning to their country of origin or are deciding not to choose Ireland as a country of destination in the first place, for those from outside the EU the available evidence suggests that rather than leave Ireland, many are doing all in their power to remain[4].

Ireland tightened its work permit system in June 2009 due to the country's recession and no new work permits are issued for jobs with a salary less than €30,000 (Ruhs, 2009)[5]. This has implications for the fisheries sector where crew incomes are variable and can be below this level.

4 Immigrant Council of Ireland statistics, 2011.
5 Ruhs, 2009. "Ireland: From Rapid Immigration to Recession" Martin Ruhs, Centre on Migration, Policy and Society (COMPAS) Oxford University. Updated by Emma Quinn, ESRI, Dublin.

3 Economic aspects

3.1 Importance of economic activities

Castletownbere's key economic sector is fishing, followed to a much lesser extent by tourism. Fishing is addressed in section 4. Tourism and other economic sectors are explored further below.

3.1.1 Tourism

Tourism has experienced a significant downturn in overall visitor numbers and expenditure seen across Ireland from a peak of €4.9billion in 2007 to €3.9billion in 2010 (CSO 'Tourism and Travel', 2011).

Tourism statistics from Fáilte Ireland are amalgamated for the South West region of Ireland (Counties Cork and Kerry). A recent study on walking tourism in West Cork for the West Cork Development Partnership estimates that in 2009 West Cork generated approximately 470,000 tourist visits and €134m in revenue. Overseas visitors accounted for 218,000 trips generating €84m revenue whilst trips taken by Irish residents amounted to 249,000 generating €48m. Approximately 328,000 of the visitors to West Cork were holidaymakers; of which 153,000 were from overseas and 173,000 were Irish residents. (URS Scott Wilson, 2011).

There is a lack of visitor accommodation in and around Castletownbere with a recent study identifying 8 bed and breakfast, 10 self-catering facilities and 1 camping and caravan site. The average capacity rates for each of these results in a total of 130 serviced bed spaces around Castletownbere. Taking into account occupancy rates of only 27% for Bed and Breakfast and 35% for self-catering accommodation, the total overnight stays in Castletownbere amounts to 14,272 bed nights. The average length of stay is 4 nights giving an estimated total number of visits as 3,568.

Fáilte Ireland statistics indicate a trip spend by overnight visitors to South West Ireland of €197 for domestic visitors and €313 for international visitors. Applying these spend figures to accommodation that is available to holidaymakers in Castletownbere gives an estimated tourism spend of €3.6 million by overnight visitors. There would also be a smaller spend associated with visitors staying at the camping and caravan site along with day visitor spend, which is estimated to average €11 per day. Assuming coach tours and independent traveller visits result in around 50 day visitors averaged across the year, this amounts to a further €200,750. The total visitor spend in Castletownbere, a proxy for tourism turnover, is therefore an estimated €1.1 million in 2010.

It is estimated that €39,500 of visitor expenditure equates to one job in the tourism sector (Fáilte Ireland, 2009); for visitors to Castletownbere this represents just under 28 jobs. These jobs would be spread across a number of businesses supporting the tourism sector from accommodation providers, attractions and visitor services to restaurants and bars etc.

The trend in the tourism sector is estimated by applying the same trends seen in annual tourism revenue for Ireland since 2003 (CSO Tourism Trends) to the turnover and employment for Castletownbere in 2010. This showed a growth in tourism to a peak in 2007, but a subsequent 44% decrease in overall tourism revenue.

Fáilte Ireland surveys estimate that 86% of visitors to the South West are on holiday, and assume the remaining visitors are on business (URS Scott Wilson, 2011). As the primary economic activity in Castletownbere is fishing, a significant number of visitors are there on business as a result of the fishing sector. As will be discussed in section 4, the fleet is serviced by a number of companies based further afield such as specialist engineering companies based in Killybegs. As most landings and processed goods are exported, the port would occasionally also host overseas customers. Fishing therefore also supports spend and employment associated with the tourism sector; this has become increasingly important since the recent reduction in visitors Ireland.

Marine tourism has increased and is centred around yachting traffic using the marina on Bere Island, which has benefits to Castletownbere from visitors seeking entertainment and provisions etc. Two cruise-liner visits are expected next year, which could make a significant contribution to tourism revenue for the region, if not for the town itself.

3.1.2 **Other economic activities**

West Cork suffers from a narrow sectoral base and is under-represented in a number of sectors including manufacturing, commerce and trade, transport and communications, and public administration (Cork County Council, 2009).

The 2006 census indicates that the service and retail sector in West Cork is at a lower level (20% of employment) compared to Cork (25%) and Ireland as a whole (27%). For Castletownbere a substantial part of this sector is dependent on direct spend by the fishing sector (e.g. on provisions, travel and professional services), while much of the remainder is dependent on induced spend by those living locally that are employed by the fisheries sector. The direct spend attributable to fishing is 5.8% of the catching sector's turnover. In 2010 this amounted to €2m or 13% of the turnover of the local service and retail sector, further illustrating the linkage between other economic sectors and the fortunes of the fishing industry. This is another sector where recent trends are downwards; Irish retail sales have decreased by 30% from 2007 to 2011 (Retail Excellence Ireland, 2011)[6].

The building and construction industry has recently been a key sector for the West Cork region, with 14.2% of the workforce employed in it compared to 12.5% in the county and 11.1% nationally. However, the recent economic crisis has hit the regional construction industry hard. The only construction evident in Castletownbere is associated with the harbour development. Construction on private sector projects is currently minimal and public sector construction is limited to road maintenance as budgets are cut. Large on-going projects are centred on the development of Cork city.

Construction workers, a high proportion of which are employed on a casual basis, must now choose between a daily two hour journey to Cork or, more often, find alternative employment. For those from Castletownbere this often means a return to the fishing sector. This is particularly the case for the inshore fisherman. During the construction boom many found work on construction sites and either stopped fishing altogether or fished only on a seasonal basis. Now many remain within the fishing sector throughout the year. Likewise, jobs in the fish processing sector, once viewed as a fallback option, are now sought after and processors have a large pool of casual staff to call upon.

Maritime activities other than fishing in Castletownbere are limited and include small volumes of cargo traffic associated with a company harvesting calcareous marine algae for fertilizer and animal feed. The company employs approx. 12 FTE people in Castletownbere (a similar number in Cork). This company has, however, recently expanded to harvest larger resources off Iceland and trade is expanding as the company diversifies into more valuable feed products which previously were only suitable for use as fertilizer. The limited number of additional maritime sectors is evidenced by the vessel visits listed in table 2 below.

6 Based on the proportional spend on provisions, travel, accountancy and other services (source: Fleet Annual Returns, BIM)

Table 2. The number and type of vessel visiting Castletownbere from 2010 to 2012 (projected). Source: Castletownbere Harbour Master.

Type of vessel	2010	2011	2012 (Projected)
Cruise Liners	0	0	2
General Cargo Vessels	10-12	18	25
Offshore supply vessels	0	0	?1
Non-Irish Vessels	419	530 up to 30/11/11	570

Figure 5 presents the trend in different sector's contribution to economic activity in Castletownbere, based on turnover. The primary production sectors of capture fisheries and aquaculture create value, while the processing sector adds value to this production. The ancillary sector is entirely dependent on fishing sector as its primary customer. As reported above, a significant amount of the town's service and retail sector turnover is also dependent on fishing.

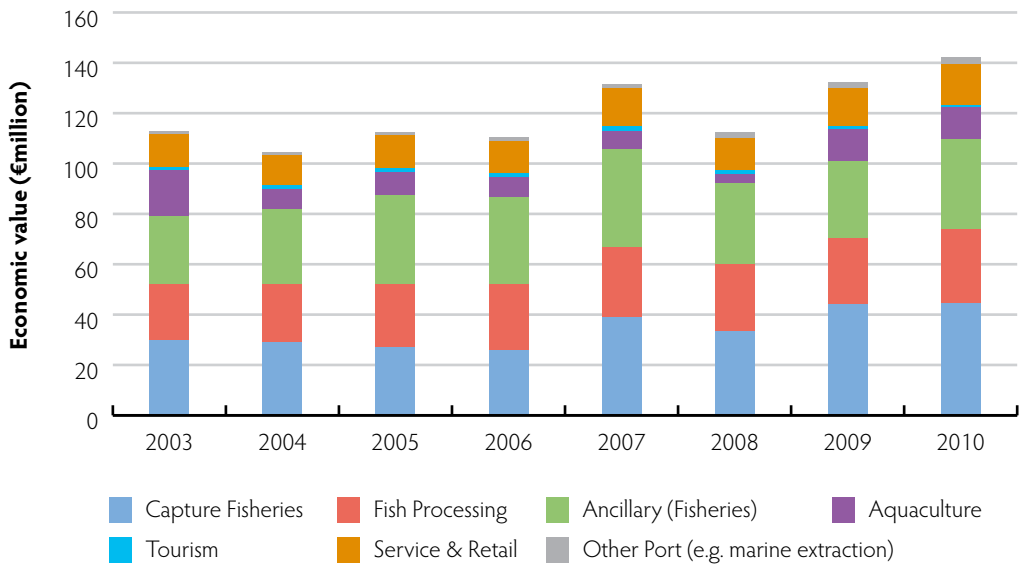

Figure 5. The economic value (Turnover; €Million), by sector, contributed to the economy of Castletownbere from 2003 to 2010. Source: Castletownbere Economic Survey.

Note: The turnover for aquaculture relates to the Beara Peninsula and not just to Castletownbere.

The substantial contribution to turnover from the ancillary sector is mainly due to fuel sales; this sector has benefitted from the major oil price increases over the last decade. The amounts presented in represent an estimate of the turnover attributable to fishing sector sales with companies supplying oil to vessels based outside of Castletownbere. The total value of the ancillary sector based on sales to the Castletownbere fleet is estimated to be €19m (17% of total turnover).

7 While there are at present no projected visits by Offshore supply vessels during 2012 any interest expressed will be facilitated.

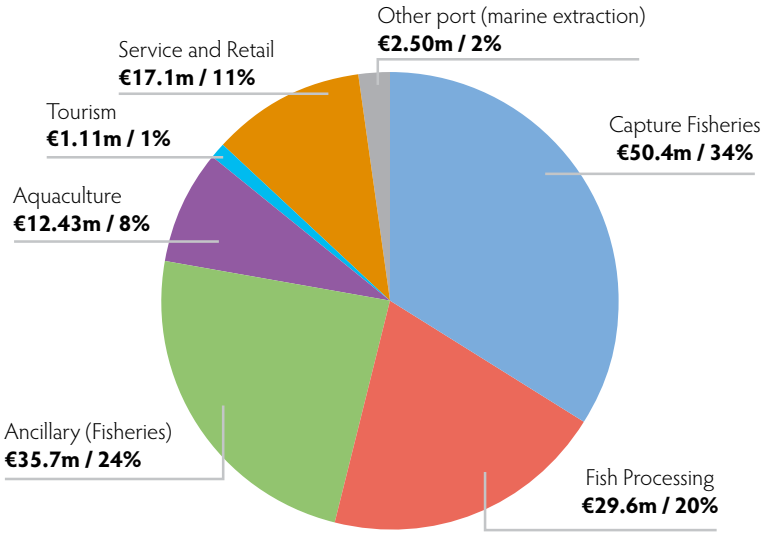

Figure 6. The contribution to the total turnover made by different sectors to the economy of Castletownbere in 2010 by value (€Million) and proportion (%). Source: Castletownbere Economic Survey.

Note: The turnover for aquaculture relates to the Beara Peninsula and not just to Castletownbere.

Table 3. The seasonality of economic activity by sector in Castletownbere. Source: Irish South and West Fish Producer's Organisation.

Sector	Main Period of Activity	
Capture Fisheries: Pelagic catching subsector	Mackerel	October to March
	Herring	October to March
	Horse mackerel	October to March
	Boarfish	October to April (bycatch throughout the year)
	Blue Whiting	February (minimal; 2 boats)
	Tuna	August to November
	Sprat	September to February
Capture Fisheries: Demersal catching subsector	Haddock	All year round
	Whiting	All year round
	Hake	All year round
	Monk	All year round
	Megrim	All year round
	Sole	Year round (mainly bycatch)
	Saithe	All year round
	Nephrops	All year round
	Cod	All year round (peak in Spring)
	Pollock	All year round
	Ling	All year round
	Plaice	All year round (peak in August and September)
	Skates and Rays	All year round Note: The bycatch of other species such as John Dory and Lemon Sole occurs all year round.
Capture Fisheries: Shellfish catching subsector	Crab	April to November
	Velvet Crab	February to November
	Shrimp	January to March
	Lobster	All year round (peak productivity between May and September)
	Crayfish	Year round (peak productivity between May and October)
Pelagic Processing	Follows the catching sector	
Ancillary	Vessel supplies corresponding with catching activity. Vessel repairs and maintenance during non-catching months.	
Retail	All year round	
Aquaculture	All year round	
Service Sector	All year round	
Tourism	May to October	

3.2 **Employment and unemployment**

The number unemployed in Killaconenagh in 2006 was reported as 33, the same total as in 2002 (Figure 7). This gives an unemployment rate of 2.8%, a decrease from 4% in 1996. With the economic downturn the unemployment rate for Ireland as a whole has risen from an average of 4.4% in 2006 to 14.5% by June 2011 (CSO, 2011). projects the national unemployment rate onto the local trend data, which is only available up to 2006, and shows the dramatic rise in unemployment after many years at a low-level. Key sectors in the regional economy such as tourism and construction have been particularly affected. Local consultation has confirmed that there has been a large increase in local unemployment despite the fishing sector absorbing some of this: those fishing part time in previous years now remaining within fishing on a full time basis and there is a positive trend in fish processing employment.

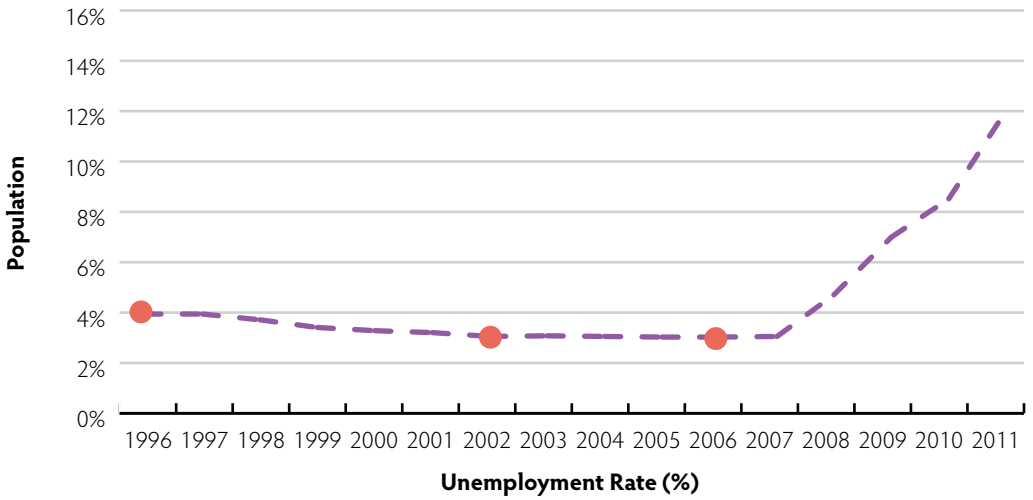

Figure 7. The unemployment rate recorded in Castletownbere (Killaconenagh DED) between 1996 and 2011 (Solid points = census data; Broken line = estimate). Source: CSO.

The age dependency percentage (the proportion of non-working age) in 2006 was estimated at 33.6%: this showed more economically active population than an average of 34.5% for the West Cork area, but fewer economically active than the national average of 31.4%.

The index score for relative affluence and deprivation for Killaconenagh was 9 compared to 12.6 for West Cork region and 10 nationally. This indicates that the area is marginally above average in terms of affluence, while surrounding DEDs on the peninsula are marginally below average or disadvantaged. This illustrates the positive contribution that fishing has on the local area. However this has worsened between 1991 and 2006 while those surrounding areas have improved.

Table 4. The population of Castletownbere broken down by employment status in 1996, 2002 and 2006. Source: Census data.

Year	1996	2002	2006
Total Population	**1467**	**1478**	**1463**
Employable population (Age >15)	1130	1170	1195
Employed	546	606	661
Unemployed	584	564	534
• Looking for first regular job	8	10	6
• Unemployed (having lost or given up a previous job)	45	33	33
• Student	105	111	101
• Looking after home / family	249	171	134
• Retired	143	178	196
• Unable to work due to permanent sickness or disability	33	50	59
• Other	1	11	5
Unemployment Ratio	3.98%	2.82%	2.76%

Note: Unemployment ratio = the ratio of unemployed to the employable population.

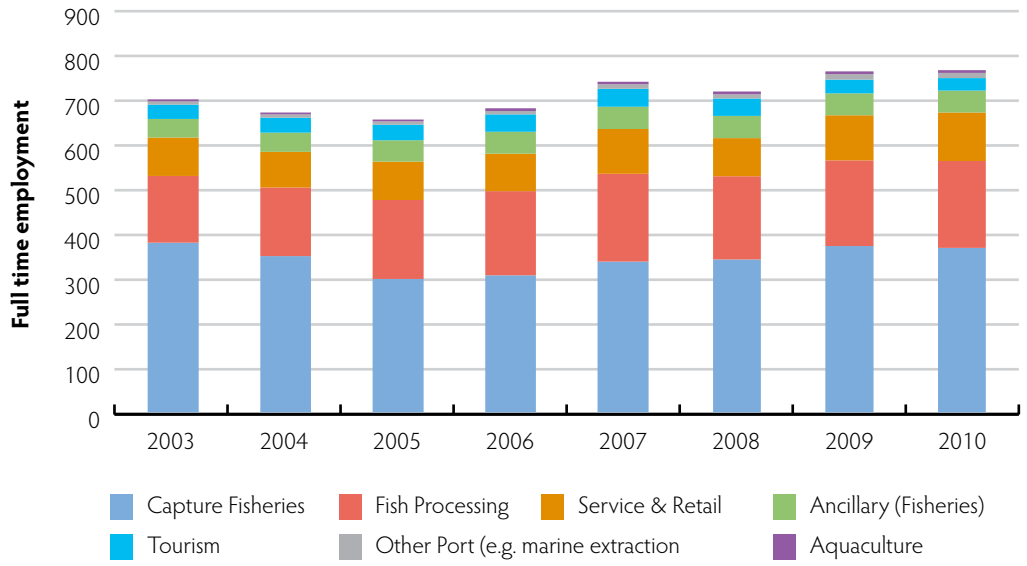

Figure 8. Full time employment by sector in Castletownbere between 2003 and 2010. Source: Castletownbere Economic Survey.

presents the employment in Castletownbere per sector. These data are not available at town level and have, therefore, been collated from a number of information sources with some based on estimates. The survey found a remarkably high and sustained level of local employment dependency on the fisheries sector of between 80% and 82%.

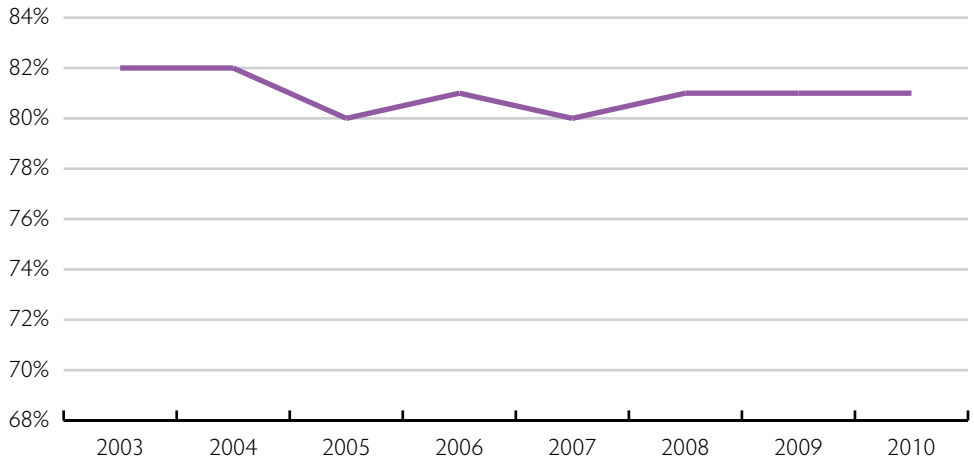

Figure 9. Fisheries sector employment dependency in Castletownbere from 2003 to 2010. Source: Castletownbere Economic Survey.

3.3 Infrastructure

The extent to which non-fishery sector infrastructure is available can significantly enable or constrain development and diversification opportunities in any community. In Castletownbere, existing infrastructure is not well-developed and is recognised as a constraint.

- There is only one principal road running east west through the town, giving rise to certain traffic circulation and parking problems. A number of preliminary indicative routes for a future relief road have been identified. There is also a need to identify a new car park location and to provide public lighting and footpaths in a number of locations.
- An hourly car ferry takes residents and visitors to Bere Island from Castletownbere Harbour.
- There is no railway to Castletownbere. The Cork Bandon and South Coast Railway going as far west as Bantry closed in 1961. The nearest rail connection is now Cork, 2 hours by road. Cork airport, also 2 hours by road is the nearest air service.
- International ferry services operate from Cork to Swansea, Wales and Roscoff, France.
- Industry and enterprise development is focused on Dinish Island. Significant upgrading of the quayside has occurred and space is available for marine and non-marine industries to establish themselves.
- According to the local area plan (Cork County Council, 2005) some water mains are in poor condition and require replacement and a treatment plant upgrade is required. Wastewater from the town is either discharged untreated or only subject to primary treatment at present.
- Education infrastructure: Castletownbere has primary and secondary schools. The BIM fisheries school based at the harbour (see details in ancillary sector) and the National Maritime College of Ireland at Ringaskiddy provide a number of vocational courses for the maritime sector. More general tertiary education establishments in the region are in Cork (e.g. University College Cork, Cork Institute of Technology and the Cork College of Commerce).
- Health infrastructure: Castletownbere has a health clinic and a community hospital providing care to the elderly. The nearest general hospital is in Bantry, one hour away.
- Broadband accessibility has improved in recent years with the area within which Castletownbere is located being part of the National Broadband Scheme, which aimed to deliver a choice of service providers and completed in October 2010.

3.4 **Local development plans**

The Bantry Electoral Area Local Area Plan, published by Cork County Council in 2005, sets out a six year plan for the area. Castletownbere, along with Bantry and Schull, is identified as a key settlement in the area. The plan states that:

"The overall strategy aims to consolidate Castletownbere as a key fisheries harbour and an important local and employment centre and promote its role as a marine-based tourism and employment location."

The Plan notes the barrier to economic development that a lack of hotel accommodation causes. "Even though the town plays an important role as a tourism hub for the Beara peninsula, Castletownbere is in need of additional high quality tourism accommodation. This would include hotel accommodation (with associated facilities e.g. leisure centre etc.) as well as a range of self-catering enterprises, hostels etc. Such uses will be accommodated within the town at appropriate locations in such a way as to support the general economic vitality of the town." The only hotel in the town, the Cametringane Hotel with 26 bedrooms closed in 2009. This leaves Castletownbere with only bed and breakfast and hostel accommodation.

Since the local area plan was published, the global economic crisis and Ireland's debt crisis and property crash mean that few expected developments have come to fruition. A new local area plan is expected next year.

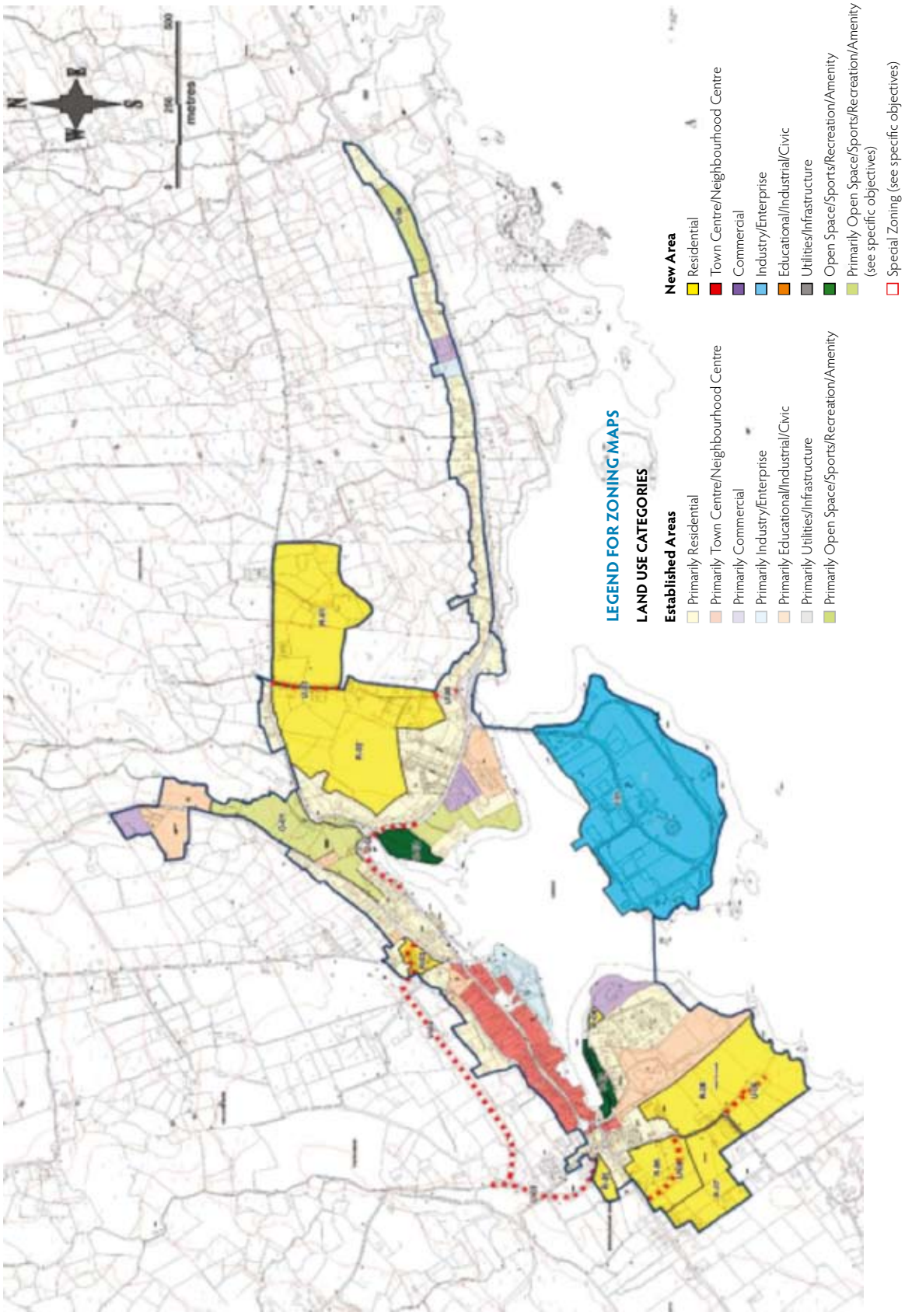

Figure 10. Castletownbere Local Area Plan, 2005. Source: Cork County Council, 2005.

4 Fisheries and aquaculture sub-sector

The fisheries sector in Castletownbere has a landed value of €50.4m in 2010, of which around 11,000t (€23m) was landed by Irish vessels (pelagic species, monkfish, whitefish and tuna) and 7,500t (€27m) was by foreign vessels with catches mainly consisting of hake, monkfish and megrim. 40% of foreign vessel landed value was by Spanish vessels, 35% from French vessels and 22% from UK vessels. There are also significant landings of shellfish (*Nephrops*, crab and lobster) by the Irish inshore fleet.

Aquaculture production, mainly mussel and salmon in the surrounding the Beara Peninsula (not just in the immediate vicinity of Castletownbere) amounted to 6,435t in 2009 worth €12.4m, but production levels and values have fluctuated substantially above and below this level in recent years.

Table 5 presents a comparison of the multipliers associated with the local fleet in relation to the processing and ancillary sectors. The table shows that additional economic value is derived from landings by the local fleet. Every €1m landed by the fleet, a further €2.12m is created by the processing and ancillary sectors. In employment terms, every job in the local fleet represents 0.66 jobs in processing and ancillary sectors.

Table 5. The economic multipliers on turnover and employment associated with the local and foreign fleet landing into Castletownbere. Source: Castletownbere Economic Survey.

Multipliers	Turnover	Employment
Local fleet to processing subsector	1.28	0.53
Local fleet to ancillary subsector	0.83	0.13
Local fleet to processing and ancillary	2.12	0.66
Foreign fleet to processing subsector	0.02	n/a
Foreign fleet to ancillary subsector	0.76	n/a
Foreign fleet to processing and ancillary	0.77	n/a

For foreign fleet landings the situation is very different with far less value added before the fish is exported. Landings by the foreign fleet do result in additional value for the ancillary sector, mainly through fuel purchases, but almost nothing for the processing sector.

Analysis of 2010 whitefish landings by the foreign and domestic fleets (Figure 11) shows the substantial first hand sales value of foreign landings, accounting for 60% of the total (by volume). Just three species (monkfish, hake and megrim) account for 93% of foreign landings by value, but this value is not retained or added to locally. Castletownbere Co-Op already processes these three species from local vessel landings, but it has proven extremely difficult to establish additional processing from foreign vessels. Most foreign vessels landing into Castletownbere are under the control of one of the larger continental multiples with their own processing facilities on the continent and therefore choose to transport the raw materials from Castletownbere to these facilities.

Getting more from these foreign landings before they are exported is an area of opportunity that should be explored. For example, the local processing sector has added substantial value to Irish Megrim landings, mainly through quality grading before export, and this now represents around 60% of the sector's turnover from demersal species. If just 20% of the Megrim from foreign vessels could be diverted into local processing, this would result in a 7% increase in turnover for the whole processing sector and could provide for 14 new full-time jobs.

In the future foreign operators may be more interested in processing some landings in Castletownbere if lower transportation costs resulted in sufficient cost savings. The Danish Export Council is one example of how this could be developed: an independently owned processing facility would be available and those with product would pay a set fee to the facility to process the goods, but would be responsible for both sourcing the raw materials and also selling the finished product. There is a need to continue developing relationships with multiples such as Mercadona and Intermarche, but a guarantee of supply and traceability are vital to these key customers and local processors must provide appropriate assurances. Branding/labelling and continuity of supply need to be strengthened to try and increase the amount of value added products. More collaborative working practices could be implemented, e.g. a number of different processors supplying product through centralised distribution, to help ensure continuity of supply.

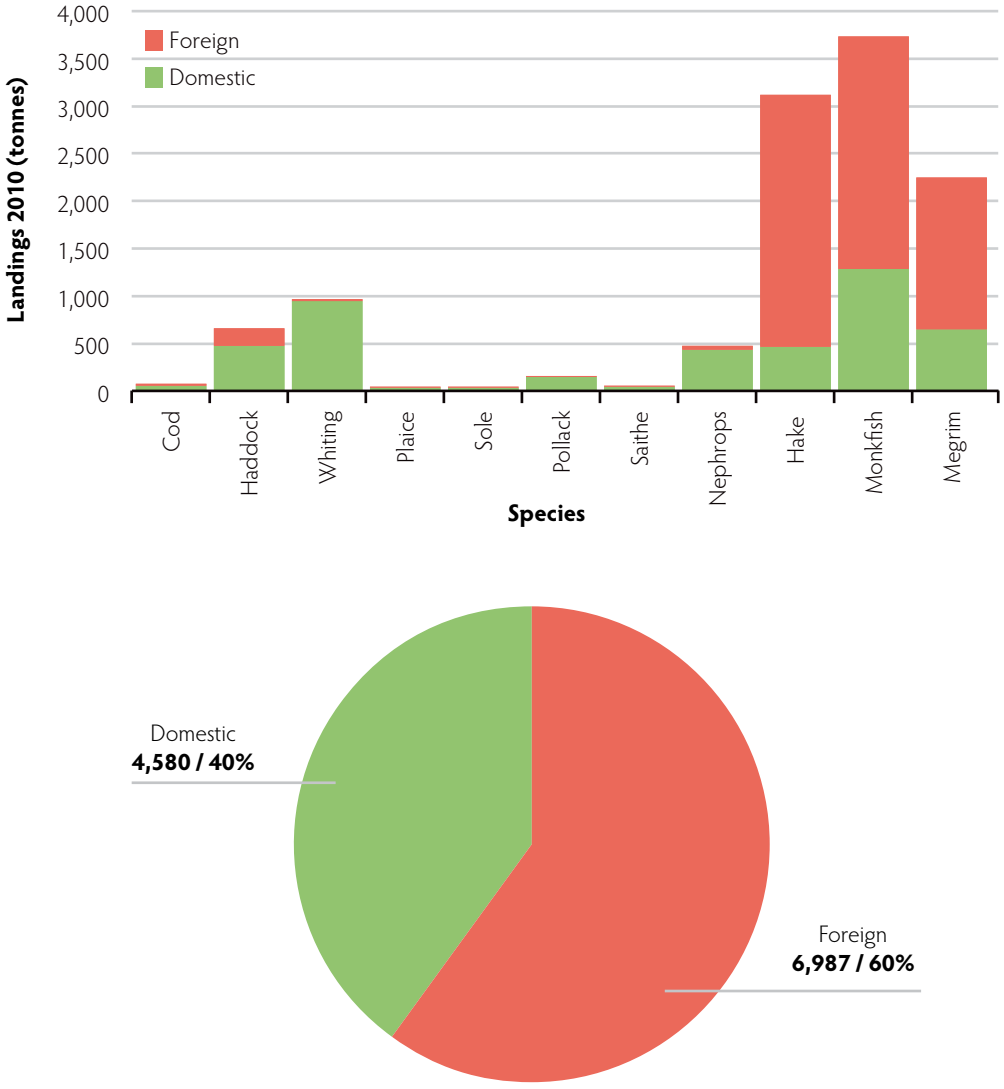

Figure 11. Irish and foreign vessel landings of key whitefish species and Nephrops, in 2010. Source: BIM.

For Castletownbere registered vessels, it is the polyvalent fleet that has the closest ties to the port, landing the majority of their catch either to the port or to nearby ports where the catch is transported overland back to Castletownbere for further grading, processing and distribution. A number of additional Irish vessels from the surrounding area also land whitefish into the port (amounting to 230t in 2010), which augments that supplied by the Castletownbere fleet.

Pelagic vessels land to buyers; these may be the Castletownbere Co-op, but more often catch is landed direct to processors in Killybegs (taking 37% of Castletownbere-registered vessels catch by volume) elsewhere in Ireland or overseas. The Castletownbere pelagic vessels do land locally when possible however they are often unable where, for example, the location of the fishing grounds for mackerel at certain times of the year make it unviable to land to Castletownbere.

The multipliers in table 5 and the analysis of landings suggest that the Castletownbere-registered pelagic vessels are part of a national pelagic fleet that nevertheless bring significant benefits in terms of jobs and income to Castletownbere. The foreign vessels also bring some benefit through additional trade for the ancillary sector supporting the fleet. It is, however, the large polyvalent fleet based in Castletownbere, and to a lesser extent the inshore shellfish fleet in the surrounding region, that creates the greatest benefits by providing fishing jobs, raw material for the processing sector and trade for the ancillary sector with the associated employment these bring.

4.1 **Details of the local fishing fleets**

In total there are 151 vessels employing 370 FTE crew within the Castletownbere fleet. Table 6 presents details of the various fleet segments in 2010. Most of the fleet (88% of vessels) consists of polyvalent whitefish/*Nephrops* trawlers with five large vessels targeting pelagic species and 12 under 12m vessels potting for crab and lobster. In terms of number of vessels and crew, the polyvalent under 12m fleet segment dominates, accounting for 62% of vessel numbers and 32% of catching sector employment.

Table 6. The characteristics of the Fleet segments landing into Castletownbere in 2010. TM, Pelagic trawlers; DTS, Demersal trawlers and/or demersal seiners; FPO, Vessels using pots and/or traps; LOA, Overall Length (m). Source: BIM.

Segment (length class)	Number of vessels	Main gear type	Number of crew (average FTE per vessel)	Number of crew (Total FTE)	Main species	Main fishing locations (ICES areas)	Trip length (average days)
Pelagic LOA ≥ 24m	2	TM	8.0	16	herring, mackerel, horse mackerel sprat, boarfish	VII, VI, V, IV	10
Polyvalent Tank LOA ≥ 24m	3	TM	8.0	24	herring, mackerel, horse mackerel sprat, boarfish	VIa	10
Polyvalent General LOA ≥ 24m	11	DTS	6.0	66	monkfish, hake, whiting, haddock, megrim	VIa - VIIb	10
Polyvalent General 18m ≤ LOA < 24m	15	DTS	5.8	87	monkfish, hake, whiting, haddock, megrim	VI, VII	5
Polyvalent General 12m ≤ LOA < 18m	14	DTS	2.8	39.2	monkfish, hake, whiting, haddock, megrim, *Nephrops*	VIa, VIb, VII	5
Polyvalent General LOA <12m	94	DTS	1.3	122.2	monkfish, hake, whiting, haddock, megrim, *Nephrops*	VIIj2	1
Polyvalent Potting LOA <12m	7	FPO	1.3	9.38	*Nephrops*, crab, lobster	VIIj2	1
Specific LOA <12m	5	FPO	1.3	6.5	*Nephrops*, crab, lobster	VIIj2	1
Total	**151**			**370**			

Figure 12 presents the trends in fleet numbers since 2003 showing the decrease due to decommissioning and then stabilisation in the mid-sized vessel fleet. The number of 40m+ pelagic vessels has remained stable, while at the other end of the scale, the small vessel fleet under 12m has grown by 24% over this period. Despite the consolidation and reduction seen in the Irish fleet as a whole, the fisheries centre of Castletownbere has maintained its fleet and overall fishing capacity has remained stable. Castletownbere did lose a number of mid-range vessels through decommissioning, but there has been reinvestment in the fleet since and vessels have moved in from surrounding ports. This dip followed by an increase in capacity to previous levels is reflected in the fleet power and tonnage trends (Figure 13 and Figure 14).

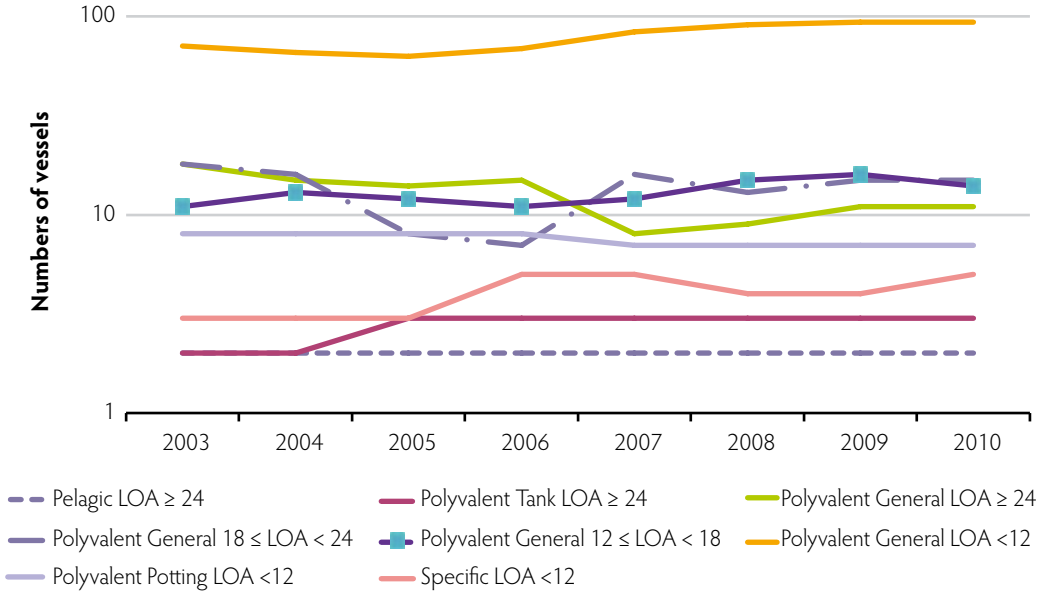

Figure 12. Trends in the size of fleet segments in Castletownbere from 2003 to 2010. Note: A logarithmic scale on the Y-axis has been used to allow the inclusion of all segments.

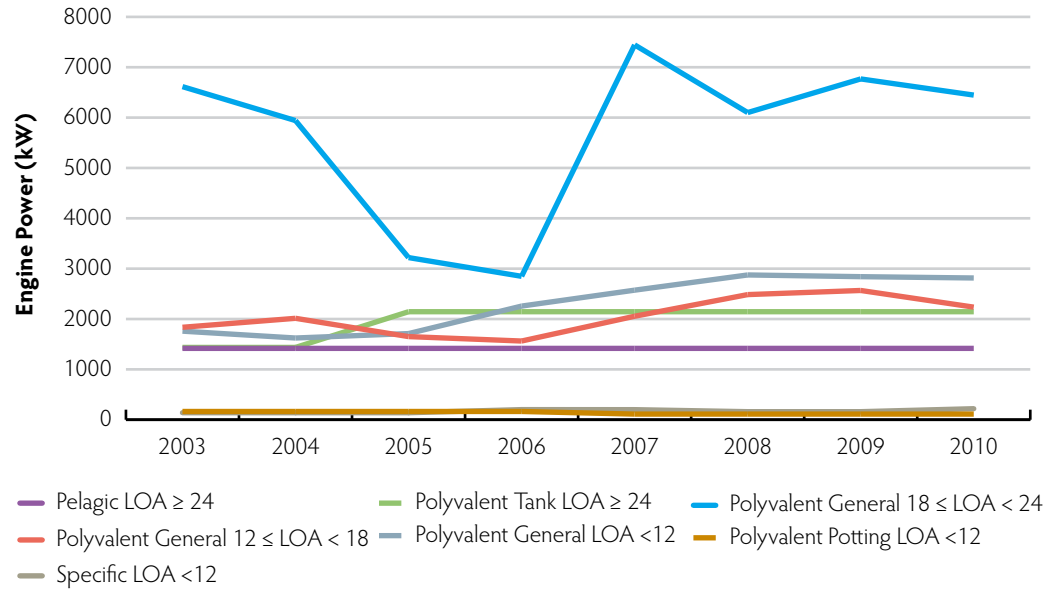

Figure 13. Engine power (kW) characteristics by segment of the Castletownbere fleet from 2003 to 2010. Source: BIM.

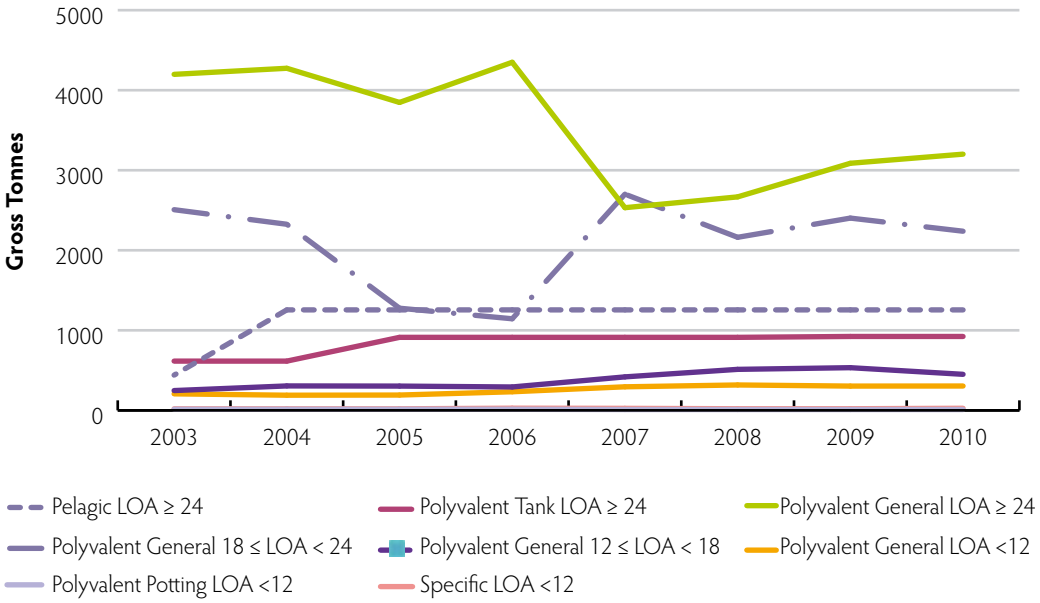

Figure 14. Gross tonnage (GT) characteristics by segment of the Castletownbere fleet from 2003 to 2010. Source: BIM.

Employment across the various fleet segments has been variable since 2003 with reductions associated with the 12 to 40m vessels, a dip and then recovery in employment on pelagic vessels and increases in the under 12m vessels. The inshore sector would normally experience part-time and seasonal employment, but as alternative employment opportunities (in construction etc.) have diminished, fishermen have stayed within the sector.

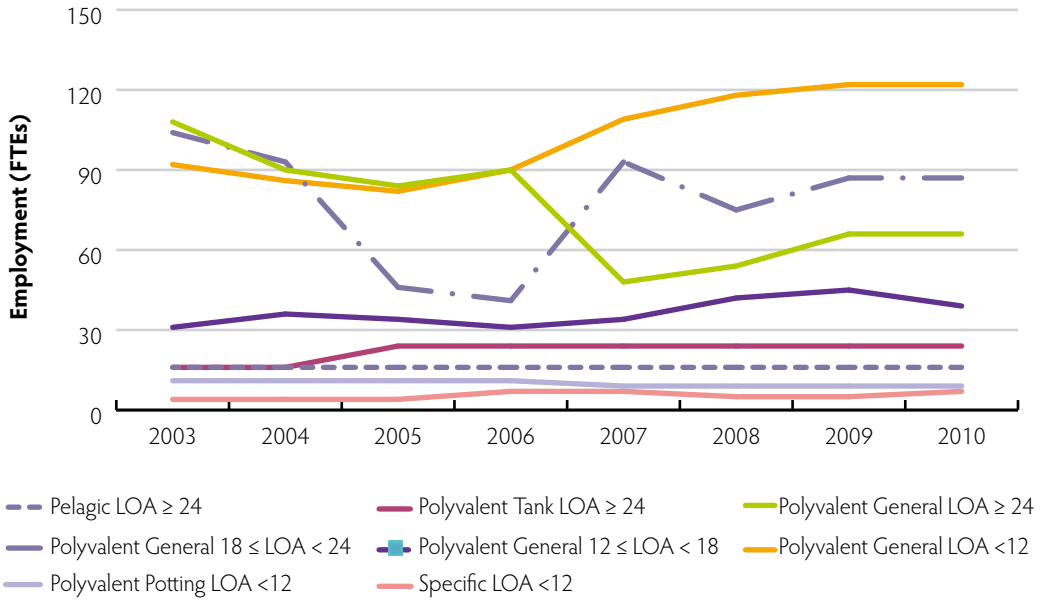

Figure 15. Employment (Full Time Equivalents, FTE) characteristics by segment of the Castletownbere fleet from 2003 to 2010. Source BIM.

4.2 Key fish stocks

The Castletownbere fleet targets a wide range of demersal, pelagic and shellfish species. As highlighted above, the foreign fleet landings almost entirely consist of monkfish, megrim and hake. Table 7 presents details of these key species in terms of area of capture, management and state of stocks. Table 8 presents recent trends in Irish quota for those species and shows that for many key species the quota has grown over the last 10 years leading to good catching opportunities for the Castletownbere fleet and suggesting a healthy situation. However some caution is required as table 7 illustrates that the state of many of these stocks is unknown or there is insufficient information.

Table 7. Management characteristics of the fish stocks exploited by the Castletownbere fleet. Source BIM.

Stock	Management Area	Management Responsibility	ICES Stock Status	ICES Stock Area	Main Regulation
Cod	VIIb-k, VIII, IX and X; EC waters of CECAF 34.1.1	EU	Harvested sustainably, Full reproductive capacity	VIIe–k	Quota
Haddock	VIIb-k, VIII, IX and X; EC waters of CECAF	EU	State of Stock is unknown	VIIb–k	Quota
Whiting	VIIb, VIIc, VIId, VIIe, VIIf, VIIg, VIIh and VIIk	EU	State of Stock is unknown	VIIe–k	Quota
Hake	VI and VII; EC waters of Vb; Int'l waters of XII and XIV	EU	Undefined	IIIa, Subareas IV, VI, and VII, and VIIIa,b,d	Quota
Monkfish	VII	EU	State of Stock is unknown	Anglerfish (*Lophius piscatorius* and *L. budegassa*) in Divisions VIIb–k and VIIIa,b,d	Quota
Megrim	VII	EU	Catch and effort reduction. stock to be benchmarked in 2012.	VIIb–k and VIIIa,b,d	Quota
Plaice	VIIb and VIIc	EU	Insufficient information	VIIb,c	Quota
Plaice	VIIf and VIIg	EU	State of Stock is unknown	VIIf,g	Quota
Plaice	VIIh, VIIj and VIIk	EU	State of Stock is unknown	VIIh–k	Quota
Common Sole	VIIb and VIIc	EU	Insufficient information	VIIb,c	Quota
Common Sole	VIIf and VIIg	EU	Harvest sustainably, Full reproductive capacity	VIIf,g	Quota
Common Sole	VIIh, VIIj, and VIIk	EU	State of Stock is unknown	VIIh–k	Quota
Norway Lobster	VII	EU	State of stock is not precisely known	VII	Quota
Pollack	VII	EU	Insufficient information	VI and VII	Quota
Saithe	VII, VIII, IX and X; EC waters of CECAF 34.1.1	EU	State of Stock is unknown	VII	Quota
Herring	VIIg(1), VIIh(1), VIIj(1) and VIIk (1)	EU	Full reproductive capacity	South of 52° 30' N and VIIg,h,j,k	Quota
Mackerel	VI, VII, VIIIa, VIIIb, VIIId and VIIIe; EC Vb; non-EC IIa; Int'l waters XII and XIV	EU	Full reproductive capacity	Northeast Atlantic	Quota
Horse Mackerel	EU waters of IIa, IVa; VI, VIIa-c,VIIe-k, VIIIa, VIIIb, VIIId and VIIIe; EU and Int'l waters of Vb; Int'l waters of XII and XIV	EU	Undefined	IIa, IVa, Vb, VIa, VIIa–c,e–k, and VIIIa–e	Quota
Blue Whiting	EC Int'l waters of I, II, III, IV, V, VI, VII, VIIIa, VIIIb, VIIId, VIIIe, XII and XIV	EU	Harvested sustainably, Full reproductive capacity	I–IX, XII, and XIV	Quota
Albacore	Atlantic Ocean N of 5°N	ICCAT/EU	F is well below FMSY and Biomass is below BMSY	North Atlantic	Quota and Vessel Limit

Table 8. Trends in Irish quota from 2004 to 2011 for species of importance to the Castletownbere fleet. Source BIM.

Stock	Management Area	2004	2005	2006	2007	2008	2009	2010	2011
Cod	VII (except Division VIIa) and VIII. From 2009 onwards the TAC covers Divisions VIIb,c,e–k,	824	849	753	775	753	825	825	825
Haddock	VIIb-k, VIII, IX and X; EC waters of CECAF	2,133	2,560	2,560	2,560	2,573	2,573	2,573	2,959
Whiting	VIIb, VIIc, VIId, VIIe, VIIf, VIIg, VIIh and VIIk	7,507	6,006	5,544	5,544	5,544	4,918	4,565	4,865
Hake	VI and VII; EC waters of Vb; International waters of XII and XIV	1,209	1,318	1,358	1,629	1,670	1,593	1,704	1,704
Monkfish	VII	1,584	1,901	2,005	2,128	2,128	2,128	2,447	2,447
Megrim	VII	2,996	3,189	3,029	3,029	3,029	3,029	3,029	3,029
Plaice	VIIb and VIIc	144	128	115	98	88	75	64	62
Plaice	VIIf and VIIg	39	202	33	201	202	200	201	200
Plaice	VIIh, VIIj and VIIk	203	204	172	148	132	184	156	81
Common Sole	VIIb and VIIc	55	55	54	55	49	40	35	37
Common Sole	VIIf and VIIg	33	31	30	28	30	31	31	39
Common Sole	VIIh, VIIj, and VIIk	176	293	293	293	293	249	225	190
Norway Lobster	VII	6,436	7,207	7,928	9,277	9,277	9,091	8,273	8,025
Pollack	VII	1,298	1,298	1,168	1,168	1,168	1,168	1,051	1,030
Saithe	VII, VIII, IX and X; EC waters of CECAF 34.1.1	1,960	1,568	1,333	1,066	1,066	1,578	1,525	1,516
Herring	VIIg(1), VIIh(1), VIIj(1) and VIIk (1)	11,235	11,236	9,549	8,117	6,818	5,115	8,770	11,407
Mackerel	VI, VII, VIIIa, VIIIb, VIIId and VIIIe; EC Vb; non-EC IIa; International waters of XII and XIV	63,216	46,149	47,894	54,369	49,643	66,070	42,947	54,861
Horse Mackerel	EU waters of IIa, IVa; VI, VIIa-c,VIIe-k, VIIIa, VIIIb, VIIId and VIIIe; EU and International waters of Vb; International waters of XII and XIV	31,137	31,454	31,934	31,996	39,646	39,179	25,560	40,439
Blue Whiting	EC International waters I, II, III, IV, V, VI, VII, VIIIa, VIIIb, VIIId, VIIIe, XII and XIV	33,544	75,893	40,677	32,992	20,745	74,058	5,691	1,187
Albacore (1)	Atlantic Ocean N of 5°N	5,216	5,723	5,679	8,326	7,958	6,696	4,356	3,554

Note: (1) Previous years' unused Albacore quota was rolled over 2007-2009.

4.3 **Fisheries infrastructure**

The Mainland Quay and Dinish Wharf are the two piers of the harbour. The Mainland Quay is some 304 metres long with a water depth of 4 metres MLWS. The Quay accommodates fish landing berths, an old auction hall (currently leased to private industry), Harbour Offices, BIM Training College, net repair area, harbour roads, open spaces (parking) and services. A ferry service operates from a Department owned slipway to the nearby, inhabited, Bere Island. A new lifeboat station is currently under construction on the town side.

Dinish Wharf, is located on Dinish Island, and is accessed by a road bridge, about 1.5 km from the town. The quayside was recently expanded from 90m to 215m. The island comprises an industrial estate of sites leased by the Department to private industry, Dinish Wharf pier, an Ice Plant, a Synchro-lift boat lifting facility and repair yard and other fishery related services.

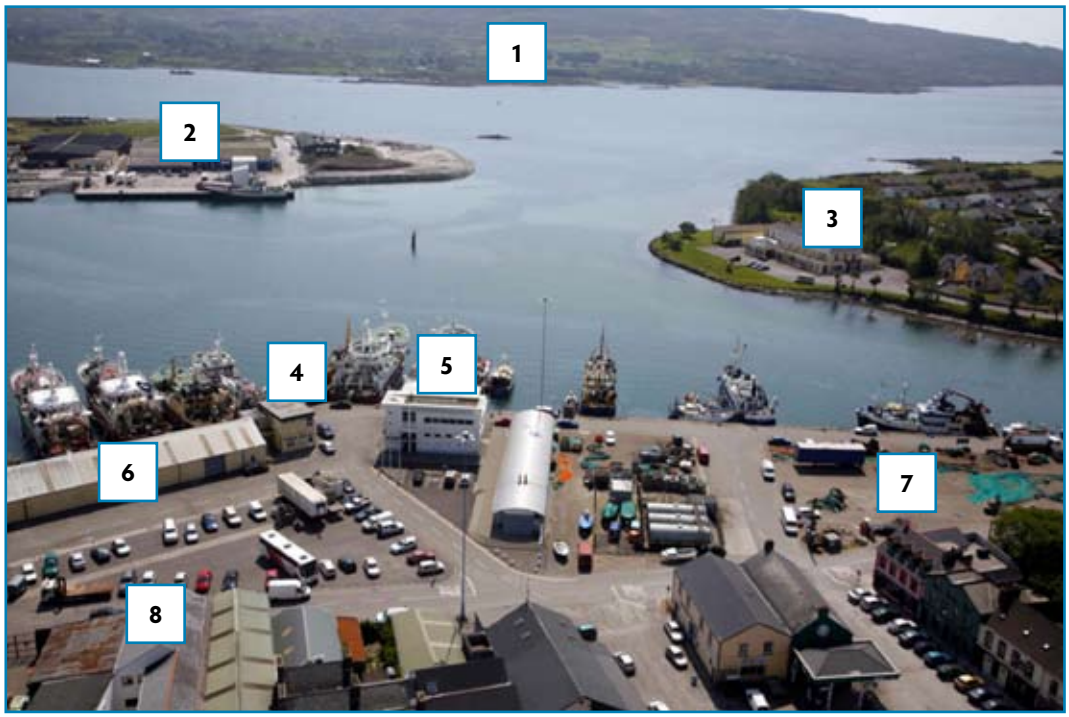

Figure 16. Castletownbere Harbour and approaches:

1 Bere Island - marina and ferry to Castletownbere
2 Dinish Island – landing quay, processors, lift and ice plant
3 Hotel (closed)
4 Harbour office
5 BIM Fisheries School
6 Landing quay – old market building
7 Net repair area
8 Irish South and West Fish Producer's Organisation

A €40million Harbour Development project, identified as an infrastructural need in a 1998 study carried out by Price Waterhouse Coopers and Ove Arup Consultants, has recently been completed. The project involved capital dredging works, increasing the depth of the harbour at Dinish Wharf to 8.0m Chart Datum and providing a 40m wide approach channel to 6.2m Chart Datum. The development of Dinish Pier comprised provision of a 215m straight berthing wall. The solid concrete berthing face along the new quay provides a vast improvement on the former open timber fendering arrangement.

The Development included two major contracts (i) Capital Dredging* (2005/2007 - €12.3m) and (ii) Civil Contract** 2007/2011 - €18.2m, as well as substantial minor contract and direct works.

* Contractor: Environmental Dredging Ireland (EDI)
** Contractor: Carillion Irishenco Ltd.

4.4 Details of the local catching sector

The landings data shows a number of interesting aspects and trends:

- Landed volume is increasingly dominated by pelagic landings, but the tonnages are variable and the pelagic fleet will often land directly to Donegal processors or overseas depending on the availability of processing capacity in Castletownbere and location of fishing grounds.
- As a result, the proportion of landed volume by the Irish fleet has increased from 42% in 2003 to 59% in 2010. Despite this the foreign fleet still accounts for over 50% of landings by value.
- The main demersal landings by the Irish fleet consist of monkfish, whiting, haddock, hake and megrim.
- The foreign fleet focuses on hake, monkfish and megrim; in 2010 these three species accounted for 88% of landings by volume.
- The Irish tuna fishery has fluctuated, but the last three years has seen very good landings.
- Nephrops landings have increased four-fold to around 400 tonnes since 2003, while landings of sharks and rays and deep-water species have decreased to very small volumes over the same period.

Table 9 below presents the trend in landed volumes and values from the Irish and Foreign vessels landing to Castletownbere. While there has been some real growth in value, the step change in volumes and values seen in 2007 is a result of better recording of landings through the introduction of sales notes. The Irish fleet lands 59% of total landed volume (with small pelagics being an important component), but account for 47% of landed value with the remaining 53% landed by foreign vessels.

Table 9. The volume (t) and value (€) of catches landed from Irish registered vessels, non Irish registered vessels and all vessels landing into Castletownbere from 2003 to 2010. Source: SFPA and Castletownbere price data.

Landings to Castletownbere by Irish registered vessels								
VOLUME (tonnes)	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Demersal	3,568	3,143	3,234	2,892	3,729	3,456	3,834	4,953
Pelagic	1,140	2,000	4,568	3,296	10,651	5,309	8,384	6,091
Shellfish	373	91	73	3	66	77	92	25
Total volume	**5,081**	**5,233**	**7,876**	**6,191**	**14,446**	**8,843**	**12,310**	**11,068**
VALUE (mEuros)	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Demersal	€8.0	€7.3	€8.4	€8.3	€11.4	€13.3	€13.5	€19.0
Pelagic	€0.9	€0.5	€1.1	€1.3	€3.7	€4.8	€10.9	€4.1
Shellfish	€0.5	€0.1	€0.1	€0.0	€0.1	€0.1	€0.1	€0.0
Total value	**€9.4**	**€8.0**	**€9.7**	**€9.5**	**€15.2**	**€18.2**	**€24.4**	**€23.1**
Landings to Castletownbere by non-Irish registered vessels								
VOLUME (tonnes)	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Demersal	7,026	6,215	5,492	5,104	8,013	5,340	7,408	7,570
Pelagic	12	38	25	18	99	34	10	5
Shellfish	12	8	10	6	4	2	0	0
Total volume	**7,051**	**6,261**	**5,527**	**5,128**	**8,116**	**5,376**	**7,418**	**7,575**
VALUE (mEuros)	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Demersal	€23.59	€23.08	€20.52	€18.55	€28.16	€21.81	€25.17	€27.36
Pelagic	€0.00	€0.07	€0.01	€0.00	€0.17	€0.00	€0.00	€0.00
Shellfish	€0.01	€0.01	€0.02	€0.01	€0.01	€0.00	€0.00	€0.00
Total value	**23.61**	**23.16**	**20.54**	**18.57**	**28.33**	**21.81**	**25.17**	**27.37**
Landings into Castletownbere by all vessels								
VOLUME (tonnes)	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Demersal	10,594	9,358	8,726	7,996	11,742	8,797	11,242	12,522
Pelagic	1,153	2,039	4,594	3,315	10,750	5,343	8,394	6,096
Shellfish	385	98	83	9	70	79	92	25
Total volume	**12,132**	**11,495**	**13,402**	**11,319**	**22,563**	**14,219**	**19,729**	**18,643**
VALUE (mEuros)	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Demersal	€31.57	€30.42	€28.95	€26.81	€39.60	€35.06	€38.64	€46.32
Pelagic	€0.94	€0.56	€1.13	€1.26	€3.84	€4.82	€10.86	€4.08
Shellfish	€0.48	€0.14	€0.12	€0.01	€0.11	€0.12	€0.09	€0.03
Total value	**€32.99**	**€31.12**	**€30.20**	**€28.09**	**€43.55**	**€40.00**	**€49.60**	**€50.43**

Table 10 presents the species landed by Irish vessels. The most valuable single fishery is monkfish and other whitefish (whiting, hake, haddock) are also important, ensuring that Castletownbere retains its status as Ireland's premier whitefish port. Figure 17 shows the continuing dominance of these demersal fisheries over recent years despite substantial increases in pelagic landings. Whitefish can be considered in two broad groups; traditional domestic whitefish (cod, haddock and whiting) and continental whitefish (monkfish, megrim and hake). This distinction is important as in the processing sector nearly all the added value is derived from the 'continental' whitefish landed by the Irish fleet. This is graded and exported to Spain, France and elsewhere on the continent; while the traditional whitefish is sold into domestic and UK markets without much added value.

Figure 17. Trends in the volume (t) of landings to Castletownbere from 2003 to 2010. Source: SFPA and Castletownbere prices.

Landings of small pelagics (herring, mackerel, sprat, horse mackerel) are important to the port, but Castletownbere's pelagic vessels also land their catch direct to processors in other ports.

Despite a dip in 2010, tuna landings (mainly albacore) are increasingly important, as are Nephrops. Landings of deep water species and sharks and rays have diminished to low-levels since 2003.

Table 10. Landings (t) by species made by Irish registered vessels to Castletownbere from 2003 to 2010. Source SFPA.

Species	2003	2004	2005	2006	2007	2008	2009	2010
Cod	51	32	61	56	51	46	38	59
Haddock	293	287	334	382	404	401	515	477
Whiting	739	602	473	377	439	430	527	948
Plaice	39	24	23	18	30	34	33	34
Sole	24	30	28	16	35	38	30	39
Pollock	179	81	51	83	64	142	144	148
Saithe	91	47	30	49	78	68	44	45
Nephrops	107	94	162	202	367	406	391	430
Hake	167	142	135	142	273	256	291	461
Monkfish	319	342	496	701	887	687	938	1,288
Megrim	367	305	338	224	348	280	430	651
Other Whitefish	1,192	1,156	1,105	642	753	667	452	372
Mackerel	344	370	921	986	1,410	1,293	1,752	1,112
Herring	385	38	820	851	2,047	946	1,099	1,535
Horse Mackerel	16	134	138	668	788	682	1,018	1,068
Blue Whiting	4	8	27	393	167	67	0	126
Tunas	206	19	15	136	402	1,020	1,575	643
Sprat	46	1,111	2,588	182	2,723	1,252	2,908	1,588
Other Pelagic	139	320	60	81	3,114	51	33	20
Crab	372	90	71	3	62	74	86	22.6
Shrimps	0	1	1	0	2	2	6	1.36
Lobsters	1	0	1	0	2	0	0	0.05
Other Shellfish	0	0	1	0	0	1	0	0.56
Grand Total	**5,081**	**5,233**	**7,876**	**6,191**	**14,446**	**8,843**	**12,310**	**11,068**

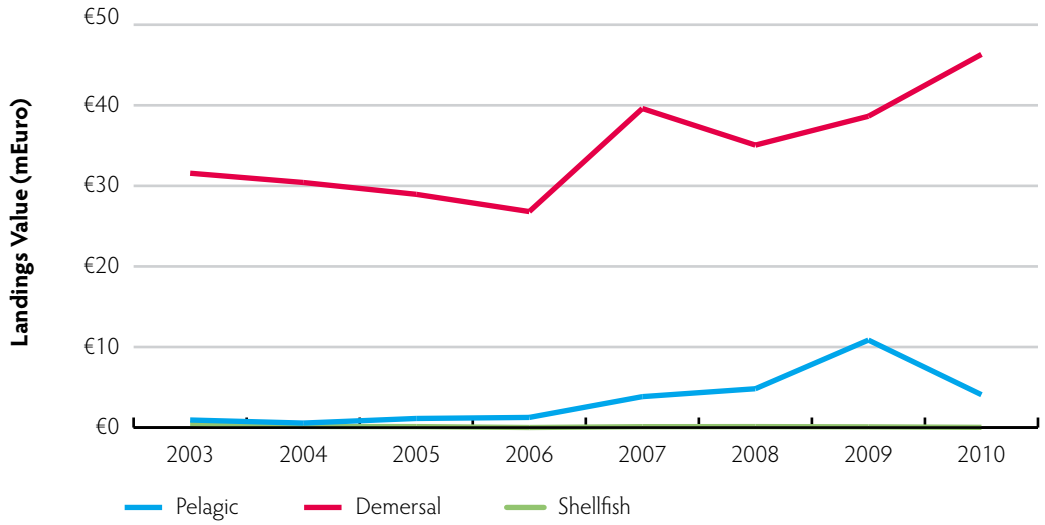

Figure 18. Trends in the value (m€) of landings to Castletownbere from 2003 to 2010. Source: SFPA and Castletownbere prices.

Table 11 presents price trends for the key species landed into Castletownbere. Pelagic prices have increased considerably over the last 10 years, particularly mackerel and herring. Whitefish price trends are more variable with large increases for haddock and monkfish and more modest rises for other species. In contrast the prices for hake and plaice dropped in recent years as substitute products such as Alaskan pollock and *Pangasius* from Vietnam have taken continental market share. Substantial increases in *Nephrops* prices are reported, while prices for crab and other shellfish have not increased.

Table 11. Price trends for selected species at Castletownbere from 2003 to 2010. Source: Castletownbere Co-Op and SFPA.

	2003	2004	2005	2006	2007	2008	2009	2010
Pelagic								
Mackerel	€0.40	€0.40	€0.50	€0.50	€0.70	€0.80	€1.00	€1.00
Horse Mackerel	€0.15	€0.15	€0.20	€0.20	€0.20	€0.20	€0.25	€0.30
Herring	€0.15	€0.15	€0.15	€0.15	€0.20	€0.20	€0.23	€0.25
Sprat	€0.20	€0.20	€0.18	€0.20	€0.20	€0.23	€0.25	€0.20
Tuna (albacore)	€3.50	€3.50	€3.10	€3.10	€3.10	€3.10	€5.00	€3.00
Other Pelagic	€0.10	€0.10	€0.10	€0.10	€0.10	€0.10	€0.10	€0.10
Whitefish								
Cod	€2.50	€2.25	€2.40	€2.50	€2.50	€2.70	€3.00	€3.00
Haddock	€1.25	€1.25	€1.40	€1.80	€2.00	€2.10	€2.10	€2.20
Whiting	€1.25	€1.25	€1.35	€1.40	€1.50	€1.50	€1.60	€1.55
Hake	€4.40	€4.50	€4.20	€4.00	€3.50	€3.00	€2.00	€2.20
Monkfish	€3.50	€4.00	€4.25	€4.25	€4.50	€5.50	€5.00	€5.20
Megrim	€3.50	€3.25	€3.50	€3.25	€3.50	€4.50	€4.25	€4.25
Plaice	€2.00	€2.00	€2.00	€2.20	€2.00	€2.00	€1.50	€1.50
Sole Black	€10.00	€10.00	€10.00	€10.50	€11.00	€12.00	€12.00	€10.50
Pollack	€1.96	€2.00	€2.00	€2.00	€2.00	€1.75	€1.70	€2.00
Saithe	€0.72	€0.69	€0.69	€0.69	€0.88	€1.07	€1.02	€1.50
Other Whitefish	€1.94	€1.96	€2.02	€2.05	€2.09	€2.31	€1.97	€1.78
Orange roughy	€1.00	€1.00	€1.00	€1.00	€1.00	€1.00	€1.00	€1.00
Other Deep water	€0.90	€0.90	€0.90	€0.90	€0.90	€0.90	€0.90	€0.90
Shellfish								
Crab	€1.25	€1.40	€1.50	€1.70	€1.60	€1.50	€1.10	€1.25
Nephrops	€3.50	€3.75	€4.00	€4.50	€4.00	€8.50	€7.00	€10.00
Other Shellfish	€1.00	€1.00	€1.00	€1.00	€1.00	€1.00	€1.00	€1.00

Table 12 presents the key species along with their main markets and product forms. It illustrates the broad range of species landed and products exported from Castletownbere. The workshop identified a number of issues to be addressed in order to take up opportunities for adding value and expanding into new markets. These are discussed further in sections 7 and 8.

Table 12. The main markets and product forms for species landed into Castletownbere. Source: Castletownbere Economic Survey.

Species	Main markets	Main product forms
Monkfish	Spain and France	100% chilled gutted and tails
Prawns *(Nephrops)*	Italy, France and Spain	Frozen at sea in 3kg boxes
Megrim	Spain	Chilled gutted (graded)
Tuna	Spain and France	Chilled to canning industry
Mackerel	Donegal and local processors	Chilled fillets to Germany, Poland, Russia
Herring	Donegal and local processors	Chilled fillets Poland and Germany
Sprat	Donegal and local processors	Chilled fillets Poland and Germany
Boarfish	Donegal or Danish plants	100% fishmeal
Hake	Spain, domestic building	Chilled cutlets, fillets
Whiting	Spain, France	Fresh chilled, some fillets
Haddock	Domestic and UK	Fresh chilled, some fillets
Crab	France, Spain, UK and domestic	Whole live (export) Value added products (domestic)

4.5 Details of the local processing sector

The processing sector employs nearly 200 FTE staff from the town and surrounding locality and in 2010 contributed nearly €30m in turnover to the Castletownbere economy. A good tuna season and high prices throughout 2011 are expected to result in a significant increase in turnover for the processing sector in 2011.

There are three major processors based in Castletownbere:

- Castletownbere Fishermen's Co-op handles, grades and does primary processing of members (mostly landed locally) including pelagic (mackerel, herring and tuna), whitefish (monkfish, hake, haddock, etc.) and prawn landings;
- Shellfish de la Mer processes shellfish (crab, *Nephrops* and lobster) from local boats and the surrounding area; and
- Eirnova processes landings by shellfish vessels from the surrounding region.

Most local vessels sell their catch to one of these three companies, but a handful of vessels operate independently using their own sales channels. There is also a local sales agent arranging sales of pelagic landings from four Castletownbere boats to processors, mainly in Donegal or overseas.

Processors are highly dependent on local landings (66% of raw material), supported by additional purchases of shellfish from around the region and country (31%), but only 4% is imported raw material. This highlights the close correlation between the catching opportunities for the local fleet and the fortunes of the local processing sector.

Nearly all foreign landings to the port are simply loaded onto trucks for export without any further grading or processing. Vessels from the local fleet will also land elsewhere; these may transport their catch back to Castletownbere for processing, but will often sell to processors close to the port of landing.

Table 13 shows the differences in processing employment and turnover between 2003 and 2010. The growth in turnover and workforce since 2003 are over 30%, however the relatively static daily output (only a 2% increase) shows that this is mainly being achieved through improved handling and added-value products rather than increased throughput. The 12% increase in holding capacity enables this and allows for a more strategic approach to selling on product.

Small proportions of local landings enter the local catering and retail sector, and some goes outside the region to other Irish customers, but more than 95% of product goes to export.

Table 13. Trends in the operational characteristics of companies in the processing subsector in Castletownbere between 2003 and 2010. Source: Castletownbere Economic Survey.

	2003	2010	% change
Turnover (€million)	22	29.6	34.5%
Workforce	150.5	196	30.2 %
Daily output potential	112	114	1.8%
Maximum holding capacity	865	970	12.1%

There has been a 34% increase in processing sector turnover between 2003 and 2010 (Table 14). Employment in the sector has increased by 30% in that period, mainly due to increases in full time positions as well as additional casual workers.

Table 14. The trend in processing turnover of companies in the processing subsector by species group and employment from 2003 to 2010. FT, Full time; PT, Part time; FTE Full time equivalent. Source: Castletownbere Economic Survey.

	2003	2004	2005	2006	2007	2008	2009	2010
Turnover								
'000 euros	22,092	23,125	25,388	26,199	27,842	26,318	26,076	29,570
% of turnover								
demersal	28	28	28	28	28	23	23	25
pelagic	10	10	10	10	10	15	15	15
shellfish	62	62	62	60	60	60	60	60
Employment								
FT	123	127	148	162	170	160	163	166
PT	50	50	55	45	45	45	50	50
casual	10	10	10	20	20	20	20	20
FTE	150.5	154.5	178	189.5	197.5	187.5	193	196

As two of the three processing companies focus on shellfish (Table 15), it remains the most important sector for value-added, representing 60% of turnover in this sector.

Table 15. The main species processed by key processors in Castletownbere. Source: Castletownbere Economic Survey.

	Whitefish	Primefish	Pelagics	Tuna	Shellfish
Processor 1	40	10	40	5	5
Processor 2	10	0	0	0	90
Processor 3	10	0	0	0	90

Aquaculture provides an additional processing opportunity. At present none of the fin fish production from the Beara Peninsula is processed locally and going forward aquaculture product could contribute to raw material supplies for local processors with value added locally.

4.6 Details of the local aquaculture sector

The aquaculture sector in the region is dominated by mussel culture and salmon production (Table 16). The volume and value of production has fluctuated over the last ten years, due in part to the production cycles and also the changing fortunes of a few key producers.

Bantry Bay has become synonymous with Irish mussels and the area recently produced around 70% of Irish production, sold primarily through one large company that pioneered vacuum-packed mussels. Production has recently dipped when that company reduced output, but some of the smaller-scale producers may take up some of this production capacity, including sites close to Castletownbere. At Bere Island, adjacent to Castletownbere, are two sites for the production of abalone; culture of this high-value mollusc remains comparatively small scale.

There are a small number of salmon production sites around the Beara Peninsula. There are two producers of organic salmon in the area, with production sites in Bantry Bay and Kenmare River. There is also an application pending for additional production sites in Bantry Bay. Salmon is transported to Donegal for processing, but there are plans for transhipment and a bleeding facility has recently been established in Castletownbere. There are some small-scale trout farms based in County Cork, but no other producers of any scale in the region.

Table 16. The volume and value of aquaculture production in the wider Beara Peninsula area from 2003 to 2009. Source: BIM.

VOLUME (tonnes)	2003	2004	2005	2006	2007	2008	2009
Finfish volume	5,249	1,260	1,494	20,872*	709	280	2,376
Shellfish volume	5,153	4,677	4,719	7,653	8,288	7,456	4,059
Total volume	10,402	5,937	6,213	28,525	8,997	7,736	6,435

**large smolt production in 2006*

VALUE (mEur)	2003	2004	2005	2006	2007	2008	2009
Finfish value	€13.54	€4.63	€6.14	€4.11*	€2.70	€0.98	€10.39
Shellfish value	€4.42	€3.53	€2.99	€4.00	€4.63	€2.54	€2.03
Total value	€17.96	€8.16	€9.13	€8.10	€7.33	€3.52	€12.43

In employment terms, the finfish-farming sector is estimated to employ 17 FTEs and the shellfish sector 68.5 FTEs in the wider Beara Peninsula area. In Castletownbere employment in aquaculture is more limited with 4 salmon farm administrative staff and 4 FTEs involved with mussel production based locally.

4.7 Details of the local ancillary sector

The large resident fleet in Castletownbere is supported by a significant number of ancillary businesses that are wholly dependent on the fleet of local and visiting vessels that land to the port. These include vessel agents, fuel suppliers, chandlers, net repair, engineering (mechanical, electrical, hydraulic, refrigeration), fleet support (representation, management) and harbour services (ice, pilotage, synchro-lift, etc.). A number of these have emerged specifically to service the foreign fishing vessels using the port.

Table 17 presents an estimated total ancillary turnover of €46.2 million in 2010 for the companies identified within the ancillary sector. The sector experienced a decrease overall in recent years as a result of fleet decommissioning and the wider economic downturn. While the fleet has returned to similar capacity levels overall, the demand for local engineering support has lessened as the very large vessels use specialist engineering support from companies based in Killybegs or overseas and the small boat fleet are more inclined to undertake maintenance and repairs themselves. In an attempt to maintain turnover and jobs, the reduced demand from the Castletownbere fleet has been addressed through diversification into non-fishing sector work and seeking new customers beyond the local fleet. The total turnover that is estimated to be attributable to fishing is €39.9million (86% of the sector total), which highlights the continuing fisheries-dependency of ancillary companies.

Table 17. Annual turnover (€ '000) of businesses in the ancillary subsector of Castletownbere from 2003 to 2010. Source: Castletownbere Economic Survey.

	2003	2004	2005	2006	2007	2008	2009	2010
Fuel supplies	€30,007	€32,618	€38,944	€36,922	€42,012	€34,670	€32,268	€41,514
Chandlery	€1,633	€1,967	€2,133	€2,300	€2,417	€2,583	€2,583	€2,700
Fleet support	€388	€450	€480	€500	€523	€365	€330	€395
Harbour services	€340	€360	€380	€600	€600	€480	€480	€600
Engineering	€728	€810	€860	€1,100	€1,123	€845	€810	€995
Total	**€33,096**	**€36,204**	**€42,797**	**€41,422**	**€46,675**	**€38,943**	**€36,471**	**€46,204**

Figure 19 illustrates the dominance of fuel supply companies in turnover terms. Rising oil prices have increased fuel costs that were already the most significant variable cost for fishing operations. Fuel supply is less tied to the port with the Castletownbere fleet only accounting for 37% of fuel supplier turnover. In Gross Value Added (GVA) terms fuel supply is less dominant, but remains the most important part of the ancillary sector followed by engineering and chandlery.

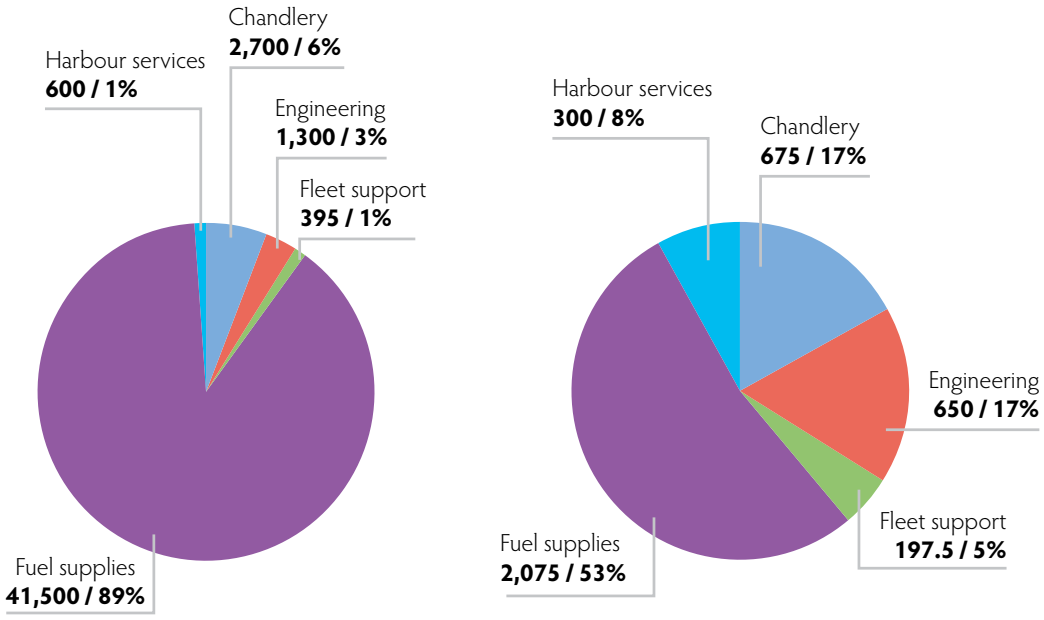

Figure 19. The contribution of ancillary sub-sector groups to the total turnover and estimated Gross

Value Added (GVA) of the sub-sector in 2010. Source Castletownbere Economic Survey.

The structure of the ancillary sector in Castletownbere is very different to that found in Killybegs which is Ireland's centre for net manufacture and marine engineering. As a result Killybegs has a comparatively large ancillary sector, which greatly exceeds the demands of its local fleet. For Castletownbere this is only the case with fuel supply where turnover attributable to the local fishing fleet is 48% of the total. The remaining turnover comes from servicing vessels from outside the area (both foreign and domestic).

Many ancillary businesses only exist in Castletownbere due to the presence of fishing, with the port acting as a hub for trade. The engineering sector provides an example of how fishing fortunes can affect this ancillary trade. With the overall reduction in vessels and their increased specialization, the marine engineering sub-sector contracted. Businesses made the strategic decision to operate from a single office (mainly Killybegs), while still providing services to the Castletownbere fleet. The electrical engineering sub-sector is not therefore represented in Castletownbere and there is one specialist mechanical engineers based locally. The extent of this additional expenditure and associated employment dependent on the fleet can be estimated via the average amounts spent by vessels on these support services.

A similar situation exists with the transport sub-sector, which supports the catching and particularly the processing sectors. This sector has contracted as a consequence of increased fuel prices and reduced volumes. Where previously many businesses would have operated their own transport service, generating local employment and wealth, today a much smaller number of specialist hauliers provide this service.

The ancillary subsectors that are present in Castletownbere each contribute significant numbers of local jobs to the town (Table 18). The number employed has dropped slightly since 2007, but has remained relatively stable due to company diversification.

Table 18. Employment (Full Time Equivalents) in the ancillary subsector of Castletownbere from 2003 to 2010. Source: Castletownbere Economic Survey.

	2003	2004	2005	2006	2007	2008	2009	2010
Fuel supplies	7	7	8	9	9	9	8	8
Chandlery	12	12	13	14	16	18	17	17
Fleet support	4	4	5	5	5	4.5	4.5	4
Harbour services	10	11	11	11	11	10	9	9
Engineering	8.5	9.5	10.5	10.5	9.5	8	11	11.5
Total	**42**	**44**	**48**	**50**	**51**	**50**	**49**	**49**

A wide range of other businesses are also dependent on fishing businesses for trade. These include general transport companies providing crew travel; the supermarket supplying crew food to vessels; accountants and insurance agents. Again the turnover of these indirect service providers can be estimated from the fleet economic data and are amalgamated in the 'service and retail' category.

5 Governance

5.1 Key Local Institutions

5.1.1 Castletownbere Fishermen's Co-operative Society Ltd

Castletownbere Co-Op was founded in 1968 to sell the fish of its members that make up the majority of the Castletownbere fleet. It processes white fish and pelagic fish, primarily for export (whitefish to Spain, pelagic to Germany, Poland, Russia). It also sells fuel, which has become an increasingly important revenue stream.

5.1.2 Irish South and West Fish Producer's Organisation

The Irish South and West Fish Producer's Organisation represents the wild caught fishing sector at a local, national and international level. It has 84 member vessels based in the South West of Ireland with a geographical range from Galway to Dunmore East, who engage in shellfish, whitefish and pelagic fisheries. Landings from its members were valued at €23 million in 2010. The Headquarters of the organisation is based in Castletownbere on the pier. At present there are 2 full-time and 1 part-time staff members together with 3 contract staff. The income sources of the organisation include membership subscriptions together with income from other activities. In the past two years, the organisation has been involved in a number of key projects including MSC certification applications for Polyvalent Mackerel (awarded in 2010) and Celtic Sea Herring together with a number of other certification and branding projects ongoing. In addition, the Irish South and West FPO liaises with Oil and Gas and Renewable Energy interests in relation to present and planned future activities.

5.1.3 Castletownbere Community Development Association

The Castletownbere Community Development Association was formed in February 2008 as a response to a public meeting in the town. At the meeting the need was expressed for a group to be formed to promote and develop community spirit and business in the town. The committee formed from that meeting now organise two festivals; June bank holiday and August week, and produce the annual Beara Business Directory.

5.1.4 West Cork Development Partnership and West Cork Enterprise Board

The West Cork Development Partnership provides a comprehensive range of accessible and innovative development supports and services that are responsive to identified local needs and which facilitate full and equal participation in social, economic and community life. Principal amongst its development supports are the LEADER programme, the Local and Community Development Programme, the Rural Social Scheme, TUS, Rural Recreation, the Walks Scheme, The Warmer Homes Scheme, Future West Cork and the Fuchsia Brand.

The West Cork Enterprise Board Ltd (WCEB) is funded under Ireland's EU Structural Funds Programme 2007-2013 with funding from the Exchequer and the European Regional Development Fund. WCEB is responsible for micro-enterprises in West Cork with key roles including: financial assistance, training, networking, business advice and mentoring. In 2010 it ran a course "Developing sustainable seafood businesses" involving nine West Cork seafood companies.

5.1.5 Department of Agriculture, Food and the Marine

The Department of Agriculture, Food and the Marine (DAFM) is the Government department with responsibility for Fishery Harbours. DAFM manages the harbours and runs a number of the harbour services such as the synchro-lift. The food sector strategy 'Food Harvest 2020' was recently produced and is being driven by DAFM. This is discussed in more detail in the following sections.

5.1.6 **Bord Iascaigh Mhara (Irish Sea Fisheries Board)**

BIM is a semi-State organisation with responsibility at the national level for development of the seafood sector in Ireland. BIM has regular interaction with the catching, aquaculture and processing sub-sectors and is has been pivotal in the development of the catching sub-sector. It operates the fisheries school within Castletownbere and implements the European Fisheries Fund and other investment support schemes on behalf of its parent department.

5.1.7 **Bord Bia (Irish Food Board)**

Bord Bia – The Irish Food Board - is the state agency responsible for the Market Development and Promotion of Irish Food, Drink and Horticulture. It acts as a link between Irish suppliers and existing and potential customers throughout the world. Their objective is to develop markets for Irish suppliers and to bring the great taste of Irish food to more tables worldwide. With its headquarters in Dublin, Bord Bia has a network of overseas offices in Amsterdam, Düsseldorf, London, Madrid, Milan, Moscow, New York, Paris and Shanghai.

5.1.8 **Sea Fisheries Protection Authority**

The SFPA is Ireland's competent authority for Seafood Safety and Sea-Fisheries Protection. The SFPA's mission is: "The Sea Fisheries Protection Authority is committed to the effective and fair regulation of the sea fishing and seafood sectors that fall within our mandate. This means all fishing vessels operating within Irelands 200-mile limit, Irish fishing vessels wherever they operate, and all seafood produced in Ireland wherever it is marketed."

Based in Clonakilty, County Cork, the SFPA has a number of offices in the major ports around the coast, at Killybegs, Ros a' Mhíl, An Daingean, Castletownbere, Dunmore East and Howth.

5.1.9 **Responsible Irish Fish**

Responsible Irish Fish (RIF) is an Irish Co-operative Organisation Society (ICOS) registered association based in Castletownbere which promotes indigenous, local, regional or domestic seafood that is caught and processed in Ireland. Members of RIF are Irish fishermen living in their local communities, generating local employment both at sea and ashore. The RIF initiative, promoting Irish caught and Irish processed fish, has made a significant contribution to the sector and is consistent with the national strategic approach set out in "Harvest 2020". RIF, especially with its activity with the Casteltownbere Fishermen's Co-operative, has achieved significant economic positives on both national and continental markets. Being a member of RIF encourages fishermen to take an active role in their own future and to adopt strategic approaches to market issues, specifically the development of new markets and the protection of current market share at home and abroad.

5.2 Public intervention

Table 19. Public intervention in the Castletownbere area.

	Source of funding	Public sector investment	Intended to achieve	Outcomes
Fishing-related expenditure				
Harbour development	National European Fisheries Fund	€40m	Expansion of water depth and capacity to support port growth	120m Extension to Dinish Wharf; new berthing quay, dredged channel All infrastructure in place, but lack of additional private sector investment expected on Dinish Island
Axis 1; Vessel Measures	FIFG/EFF	€4.4m (€11.0m total investment)	Vessel Modernisation	Vessels upgraded for improved safety, efficiency
Axis 1; Decommissioning	FIFG/EFF	€9.0m (€13.5m total investment)	Removal of Vessels from the fleet	Reduction in Fleet capacity
Axis 2; Aquaculture	FIFG	€5.6m (€14.0m total investment)	Support for Aquaculture Development	Modernisation and Increased aquaculture production
Axis 2; Processing	FIFG	€0.6m (1.5m total investment)	Support for the Processing Sector	Improvements to increase value-added production and reduce production costs
Axis 3; Supporting Measures	FIFG	€1.3m (2.0m total investment)	Promotional Campaigns etc.	Improvement of value-added potential
Non-fishing related expenditure				
Municipal waste	Cork Co. Council	€2.0m (2003-04)	Waste Transfer Station	Constructed as proposed increasing civic amenity.
Waste water	DoEHandLG Cork Co. Council	€1.49m (2010-11)	Upgrading of Castletownbere Water Supply	Improved water quality
Roads	DoEHandLG Cork Co. Council	€5.1m (2003-2010)	Road improvement and realignment	

Source: BIM, Cork County Council

6 Stakeholder analysis

Some key contacts in the Castletownbere community and fisheries sector are provided in the table below:

Table 20. Stakeholder details and contacts.

Name	Organisation
Eibhlín O'Sullivan	Irish South and West Fish Producer's Organisation
John Nolan	Castletownbere Fishermen's Co-operative Society Ltd.
Donal Kelly	Castletownbere Development Association/ Fast Fish Sales Agent
Ian Dempsey	West Cork Development Partnership
Cormack McGinley	Castletownbere Harbour
Jerry O'Sullivan	South West Cork Councillor, Cork County Council
Danny Crowley	South West Cork Councillor, Cork County Council
Patrick Gerard Murphy	South West Cork Councillor, Cork County Council
Theresa White	Assistant County Manager West Cork, Cork County Council
Jim O'Sullivan	Beara Tourism
John Walsh	Bear Island Project Group
Noel Harrington	Teachta Dála, Dail Eireann, South West Cork
Frank Flemming	Responsible Irish Fish
John Power	Marine Harvest

7 Qualitative interpretation and analysis

7.1 Key events and drivers of trends

Fishing:

- Reduced fleet (in the 12-40m range, the inshore fleet has increased)
- Reduced quota
- Increased enforcement
- Increased environmental pressures (discarding)
- Cheap imports (*Pangasius* and Alaskan Pollock) replacing traditional species in the EU market

External to fishing:

- Celtic Tiger
- Construction sector boom
- Economic downturn in key markets
- Fuel crisis (impact profits in catching sector and transport)

The number of vessels in the Castletownbere fleet has remained relatively stable. And, while whitefish capacity has decreased somewhat with the removal of some large polyvalent vessels there has been growth in the inshore fleet and little change in the pelagic fleet.

Growth in the inshore sector may reflect a movement back to fishing as other sectors declined nationally (particularly the construction sector), and facilitated by an absence of management constraints. As a static gear fleet, primarily targeting non-quota species, it is also less affected by environment driven pressures to reduce discarding and benthic impacts.

As the Castletownbere fisheries sector is export-dependent, it is affected by changes in key markets, Spain and France. Demand and prices in Spain in particular dropped dramatically in 2008 and 2009. Also the reduced demand for imported goods in Ireland during this period of recession lost the benefits from back-loading trucks with imported foodstuffs and white goods.

Overall international trade volumes and values dropped markedly in 2008 and 2009. Exports of 'forestry and fishing produce' (DoF, 2011[8]) dropped by over 10% in 2008 and a further 3.5% in 2009, but 2010 saw some recovery.

External drivers can have positive and negative influences for the Castletownbere fishing sector. For example the Celtic Tiger increased overall affluence, but growth in other sectors exceeded fisheries and made crew retention difficult. The recent downturn has meant that locals are coming back to area to crew or work in other fisheries sub-sectors. Some local skills shortages remain however.

Recent trends in some aspects of fishing are positive with good prices and good landings in 2011, particularly on pelagics. Prime fish prices continue to be depressed on the continent, but increased enforcement across Europe has helped in this regard. High fuel prices remain an issue for the industry in general despite oil prices dropping down in 2011.

8 Department of Finance, Budgetary and Economic Statistics, 2011

7.2 **Adaptation**

- Catching sector has altered fishing patterns and gears to conserve fuel.
- Greater reliance on non-quota species.
- Greater reliance on part-time and casual labour.
- Out-sourcing services with high variable costs like transport.
- Post-harvest sector has found new markets and developed new value-added products.
- Ancillary sector has diversified into non-fishing revenue streams (oil to recreational vessels, netting in other sectors).

The catching sector has adapted to increased fuel costs and demands for reduced discards through sourcing more selective and fuel-efficient gear. Operational decisions can vary on a haul-by-haul basis influenced by costs (mainly fuel) and prices as well as quota availability. There is strategic planning of fishing patterns with more attempts to catch for the market rather than targeting and landing fish irrespective of demand.

The reductions in whitefish quota mean that non-quota species have become more important to the trawl fleet. Vessels have also diversified into other fisheries such as tuna and there is a general feeling that year on year with experience and technology, the fleet is getting better at locating tuna resources. Pelagic vessels are supplementing the main herring and mackerel fisheries by targeting meal fisheries (horse mackerel, blue whiting and boarfish).

Adaptation has involved seeking operating efficiencies through reduced fuel costs and outsourcing some aspects of their business. Transport and distribution for example, has struggled to remain a profitable exercise, as additional fuel costs could not be reflected in product price increases to a depressed export market. External companies with the economies of scale and connections for back loading can deliver a service as and when required, rather than maintaining an in-house fleet.

The ancillary sector has looked to diversify into non-fishing sectors. For example net manufacturers have diversified into leisure /aquaculture and safety equipment; fuel suppliers now serve the leisure sector and engineers seek land-based contracts in quieter winter period.

The BIM Fisheries School was cited as an example of how the industry and wider community was adapting to changes. In addition to assisting those fishermen in the local area in up-skilling it also provided an influx of students from outside the Castletownbere area. In recent years many students have been involved in courses to enable them to transfer from the fishing industry to other maritime areas such as oil and gas.

7.3 **Barriers to adaptation**

- Excessive regulation and enforcement.
- Uncertainty/security of investment in new enterprises.
- Access to finance.
- The divide between Irish vessel operations and visiting foreign vessels.
- Poor road infrastructure.
- Isolated location off-putting to investment.

Most of those consulted cited the lack of quota, additional regulations and enforcement as all creating pressure on businesses and preventing diversification into new areas. Many fishermen are tied, at least partly, to the fisheries in which they have track record. For example, effort has been restricted (EU Regulation) in a number of areas and only those vessels with track record during specified reference years are now permitted to fish there. A number of species including mackerel and boarfish have also been "ring fenced" with only those vessels with the appropriate track record during the reference period permitted to fish.

The cost of adopting experimental fishing gear, undertaking pilot fisheries, investing in new aquaculture operations and new products, etc. are felt by most to be difficult in the current economic climate. Such investments are also considered unattractive because of excessive uncertainty when business planning. Issues including the reform of the Common Fisheries Policy, and a limited capacity for long-term planning due to quota restrictions were cited by many.

Access to finance was cited as a barrier to reinvestment by the fisheries sector. The value of tonnage has collapsed, reducing the assets that catching sector interests can borrow against. There are also issues with the international credit rating of Irish banks affecting deals with European suppliers.

BIM identified a number of key challenges to be overcome if the potential inherent in the Irish seafood sector is to be realised. These include:

- Recessionary effects – reduced prices for seafood, difficulties in obtaining working capital, increasing interest rates;
- Access to the resource – a stronger emphasis on environmental protection and conservation;
- Lack of scale and inefficient logistics chain;
- The growth of low cost imports from countries operating from significantly lower cost bases and a lack of differentiation of Irish seafood;
- Changing consumer preferences – a premium on convenience, versatility and price.

Local barriers to adaptation relate to infrastructure. The West Cork Enterprise Board's Strategic Plan[9] states: "Although the natural environment in which West Cork sits is an advantage in some instances, the peripheral landscape is also disadvantageous in other areas. The lack of high quality road infrastructure and the distance from other major towns and cities has led to a shortage of high-skilled and high value added employment opportunities." For example there was a recent request to transport wind turbines via the port, which could not be progressed as the road and bridge at Adrigole (ten miles along the coast road from Castletownbere) was not of sufficient width.

7.4 **Role of public sector support**

- Little impact of public sector suggested by most
- Funding of harbour capacity expansion
- Bord Bia of help in marketing efforts (but need to make the effort to work closely with them)
- BIM fisheries school aids adaptation within fishing and for fishermen moving outside it

The port has seen significant central funding going into increased water depth in the harbour and the channel as well as expanding the quayside at Dinish Island and upgrading the mainland quay. This has eased over-crowding and has enabled Castletownbere to recover some of the foreign landings lost to other ports. However, with the economic crisis, landside development (public and private) has not occurred to fully support growth in maritime sectors. It does however support and safeguard existing operations as well as providing new opportunities such as cruise liner visits planned for 2012.

Some operators state they have benefited from Bord Bia (and previously BIM) assistance in overseas marketing. Others state that they have not benefited from such support. This may be a consequence of differing operations, but it highlights the benefit of engaging with Bord Bia at a sector level. In recent years liaison between Bord Bia staff and the Irish South and West Fish Producer's Organisation has improved which has assisted in more efficient market planning. Bord Bia is aware of the differing requirements of the fishing sector in comparison with the farming sector and is adapting accordingly.

9 West Cork Enterprise Board (2007); Strategic Plan 2007 – 2013; Driving Entrepreneurship and Innovation in West Cork

7.5 Future development

- All operators are seeking improved efficiencies
- Many sectors have contracted
- Catching sector stable, no further reduction in capacity needed
- Processing opening up new markets

Opportunities:

- Better branding and marketing of Irish seafood
- Appropriate flexibility in the allocation of quota
- Increased added value before fish leaves the region
- Increased and diversify marine traffic (tourism, cargo)

Many proposed that the future development of the port is largely dependent on the availability of quota to the local fleet. The possible introduction of transferable fishing concessions (as proposed in the current draft of the CFP reform) is causing a great degree of concern and uncertainty at present particularly for the whitefish fleet.

There has been a contraction in the Irish fleet as evidenced by the decommissioning of local boats five years ago. But since then some sectors have grown and the overall picture is of a relatively stable local fleet targeting a wide variety of species, many of which have seen quota increases in recent years. Overall this amounts to a sector that is in good health for the future. However there remains some uncertainty as the scientific evidence for many of these species is currently limited and it is unclear how these fisheries are being fished in relation to their Maximum Sustainable Yield (MSY).

The proximity to fishing grounds and the price of fuel could make Castletownbere a more attractive location to land to or be based in for Irish and foreign vessels. This is recognised by the Department's Food Harvest 2020 strategy, which states: "88% of the fish caught in the Irish EEZ zone is by non-Irish vessels. Trends in fuel prices suggest it will be more advantageous for more non-Irish vessels to land in Ireland than in their home countries, which if available for sale in Ireland would benefit domestic processors." The critical point is 'if available for sale', as most foreign landings are immediately trucked to the continent resulting in benefits for ancillary services but not for most local processors. There is the potential for more strategic linkages with foreign operators to encourage them to land more and do more to those landings before transshipment to the continent.

DAFF's (now DAFM) Food Harvest 2020 highlights areas where the seafood sector could develop and included the following recommendations of relevance to Castletownbere fishing sector:

- The share of catch being processed by Irish companies should be progressively increased, adding value in Ireland. While seeking to maximise landings from Irish vessels, sourcing additional supply for Irish processors from non-Irish vessels should be encouraged.
- The development of innovative, consumer oriented seafood products should be supported by BIM Seafood Development Centre and Teagasc Ashtown Food Research Centre.
- While recognising the place of specialist processors serving niche markets, restructuring and enhanced co-operation within the production, sales, marketing and processing areas should be supported by specific programmes.
- The skills levels in the sector should to be augmented by focused technical training and boosting of management competence through the introduction of training, mentoring programmes and Graduate Placement programmes.

- There should be a greater integration of the seafood sector into the Irish food sector and treatment of it as such.
- The implementation of quality and traceability labelling including voluntary labelling and certification for Irish fish products should be accelerated by the sector with appropriate supports from BIM and Bord Bia to differentiate Irish products on domestic and export markets.
- At EU level, Ireland should press for amendments to the Common Organisation of the Markets (CMO) to make it mandatory to give full details of origin of product.

The harbour's increased capacity and upgrading of berthing facilities creates the opportunity to encourage more fishing and non-fishing vessel visits. But without the landside and transport infrastructure in the surrounding area, there is a risk that some of these will be lost (as evidenced by the recent loss of marine renewables trade).

7.6 **Conclusion**

While the catching sector continues to experience pressure from increased costs, primarily fuel, fleet capacity and catching opportunities are relatively stable. The Castletownbere fleet has shown it is able to adapt through diversification into other fisheries. Many feel it has reached a sustainable level that must be maintained to fully take up catching opportunities.

Overall Castletownbere is fundamentally dependent on fishing and the fortunes of the town reflect those of its fisheries sector. The Castletownbere fishing sector has shown it is adaptable, but being export-orientated continues to be vulnerable to changes in continental markets outside of its control. It also still suffers from poor road infrastructure, maintaining its isolated nature and the feeling that for many products Castletownbere is at the end of the supply chain (and so first to lose out with any decrease in demand).

There are opportunities to reduce the town's vulnerability through strategic support that will help to safeguard its seafood sector, but also through encouraging growth in additional economic sectors. These opportunities are explored further in the following section.

8 The way forward

It is evident that the fishing sector will and should remain the backbone of the Castletownbere economy. More could be done to support the various fisheries sub-sectors of the town and other economic sectors could be encouraged.

Attendees at the stakeholder workshop held on the 19th October considered what actions could be taken to support Castletownbere and its fisheries sector. A 'way forward', identifying how these actions could be delivered was also discussed. The following section summarises those discussions and proposes how some of the ideas suggested could be progressed.

8.1 Catching sector

- More co-operative working in catching sector
- New gear adaptations and fishing techniques
- Quality improvements – setting standards
- Change the intervention process for fish as it is being used to set the minimum price for many species
- Additional opportunities for diversification such as guard vessel and fisheries liaison work.

Attendance at the workshop by the catching sector was limited and therefore more development opportunities for the sector are likely to emerge in subsequent discussions.

Adaptation and developments are on going in the catching sector and support for gear trials and adaptations as well as pilot fisheries remains high amongst local fishermen.

Processors suggest that quality standards have improved, but still more could be done and that good practice should be qualified and rewarded through Quality Assurance Schemes. These can also help with marketing.

An issue of concern to catchers is that the market intervention mechanism is actually setting prices rather than providing a fallback option for low prices. Also, with rising operating costs, the intervention prices set do not reflect the current costs and therefore do not provide adequate compensation. With the review of the Common Market Organisation (CMO) there is an opportunity to review and amend the mechanism so that the intervention price functions as intended.

It was also suggested that more co-operative working in the catching sector could help to avoid flooding the market at certain times and would also improve operational efficiencies. This could be aided by greater certainty in quota allocation to avoid the race to fish.

One opportunity for vessels to supplement their income is to act as "guard vessels" for oil and gas exploration activities being carried out in the south-west of Ireland. However at present fishing vessels are restricted from carrying out this work as they do not have the necessary "load line certificate" and can only qualify for this by deregistering as fishing vessels. Representations have been made to the bodies involved to allow fishing vessels to obtain such a certificate and efforts to change this requirement are continuing.

8.2 **Processing sector**

- Tuna processing
- Surimi and other human consumption options for the processing of boarfish
- Frozen prawns at sea brand
- Differentiate product in market place
- Promote more in Ireland and UK so less straight to continent
- Satellite seafood development centre for Castletownbere

The processing sector in the town is limited to three companies, but these represent the largest sub-sector in employment terms after the catching sector. The sector has had to adapt to changing raw material supplies and the recent crisis associated with export and domestic markets. It is suggested that more could be done to reduce risk for the sector by lessening its dependence on continental markets and improving differentiation of the product in the market place. This latter aspect needs to be supported by quality improvements and assurance systems. Improved marketing, branding and eco-labelling (such as Responsible Irish Fish, BIM's Quality Seafood Programme and the Marine Stewardship Council) could all assist in market differentiation.

A big challenge is to get more value from the fish landed by the local and foreign fleets. This means more value-added processing from local landings and more strategic linkages with foreign operators. Opportunities are noted in specific product groups such as tuna where most goes straight to canneries in Spain and Portugal. The potential for developing alternative fresh tuna markets and a number of innovative processed tuna products (smoked tuna for example) were discussed.

A growing fishery is frozen at sea *Nephrops* and some see the potential to develop a local brand around this product. Other possibilities are getting more out of meal fisheries such as blue whiting and boarfish with surimi production. The innovative use of fish waste for by-products should also be explored.

Many saw the Seafood Development Centre (SDC) in Clonakilty as a positive development and the potential for a satellite office at Castletownbere was discussed. Certainly more linkages and projects to assist in the development of seafood should be explored with the SDC.

8.3 **Aquaculture sector**

- More aquaculture development and support including processing
- Community-based licencing for aquaculture (possibly other developments)

The aquaculture sector locally is limited to two mussel farms and a small-scale abalone farm. In the wider area aquaculture is more significant with mussel and salmon production. The stakeholders-group believe that the waters surrounding Castletownbere could support some additional production, but the group also felt that deciding "where" this additional production is located should must take into account the views of local stakeholders. In addition the benefits from such developments (rents etc.) should be used to help offset any negative local impacts of these developments, for example, by contributing to a Beara/Castletownbere local development fund.

The port could also act as a support hub for aquaculture operations in the region. Feed storage, well boat servicing and post-harvest support could all be well catered for. It was also suggested that more salmon production could be processed locally rather than all being transported to a central processing facility in Donegal. However until the critical biomass of production is reached (i.e. additional production in the area) road transport or shipping of salmon by sea will continue. With the increase in road transport costs, reducing the amount of waste being transported (if that waste could be managed locally) makes financial sense, particularly in a town with substantial processing capacity and expertise.

8.4 Ancillary sector

- Community Ice Plant

While recognising that the fortunes of the ancillary sector are very much linked to changes in fishing pattern and the volume of landings, one immediate issue raised by the stakeholder-group is the withdrawal of BIM from the running of the local ice plant. Many larger vessels now have on-board icemakers and this has reduced purchases of ice locally and, consequently, reduced the viability of the plant.

There are however certain situations where this additional capacity is essential to ensure the quality of landings. For example the seasonal tuna fishery requires large volumes of ice for up to 10 weeks from late July. Also, salmon are now being "bled" in the area and this has increased the requirement for ice. If salmon processing is to be carried out in the future then the amount of ice required will increase There also remains a demand from outside the fishing sector, for example meat producers etc. Further discussions with BIM are necessary but it would appear there might be an opportunity for private enterprise to take over the plants.

8.5 Other economic sectors

- Pontoons/marina development for marine tourism
- Tourism attraction – shops, restaurants more associated with fishing sector
- Support to the oil and gas and renewables sector

This study has focused on Castletownbere's dependency on the fisheries sector, but it is recognised that the extremely high dependence levels (over 80% economic and 88% employment) creates vulnerabilities for the town. The harbour is the town's greatest asset and its recently expanded capacity means that other sectors could be encouraged without compromising fishing industry operations.

Tourism is an area that could be developed further through marine tourism with landing pontoons in a marina and with the development of the cruise liner business. For the harbour itself, the visits by cruise-liners are not especially lucrative (Cork received 65 visits and made around €1m, with spend going to visitor destinations). Therefore in conjunction with developing marine tourism infrastructure, it makes sense to explore the potential for increasing the level of attraction in Castletownbere. This could either be across the town as a whole or with the creation of a single visitor attraction. An obvious possible theme would be to capitalise on the town's fishing and seafood industry.

Support to other maritime sectors (oil and gas and renewables) has been explored to some extent. The harbour has sufficient capacity but the attraction for these sectors was limited by Castletownbere's poor road infrastructure limiting access for large vehicles.

8.6 Driving the way forward

- Community Development Forum
- Jobs strategy (multi-sector – not just fishing)
- Develop a Fisheries Local Action Group (Axis 4 of the European Fisheries Fund) encompassing Castletownbere and the wider Beara peninsula.

The town already has a harbour users committee and the Community Development Association, which work to particular remits, but it was felt that strategic economic development in the town, and in particular the fisheries sector, should be specifically addressed.

There was enthusiasm for a stakeholder forum that will help drive the production of a jobs strategy for the town. This could address both fisheries and non-fisheries plans. The group could then help to steer implementation of that strategy. A small, focused working group of key stakeholders was viewed as more workable, but it will be important to gain the endorsement of the existing groups mentioned above. This group should also engage with regional development organisations to seek their guidance, exchange information and explore potential funding streams.

Some stakeholders suggested that creating a Fisheries Local Action Group (FLAG[10]) covering the Beara Peninsula would assist this process.

10 FLAGs are provided funding under Axis 4 of the European Fisheries Fund.

Bord Iascaigh Mhara
Irish Sea Fisheries Board

Bord Iascaigh Mhara,
Irish Sea Fisheries Board,
P.O. Box 12,
Crofton Road,
Dun Laoghaire,
Co. Dublin,
Ireland.

Tel.: +353 1 2144 100
Web: www.bim.ie
Email: info@bim.ie

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