

**BENEFICIARY:** BORD IASCAIGH MHARA  
**PROJECT REFERENCE NUMBER:** 19/SFS/ES002  
**NAME OF PROJECT:** THE ECONOMIC IMPACT OF THE SEAFOOD SECTOR  
AT IRELAND'S MAIN PORTS  
**IMPLEMENTATION PERIOD:** 1<sup>st</sup> JANUARY - 31<sup>st</sup> DECEMBER 2019

### Project scope

Ireland's natural resource based seafood industry provides an important source of economic activity in our remote coastal regions. It provides jobs on fishing vessels, on fish farms, in processing operations, in distribution and marketing seafood at home and to export markets and in a large number of smaller ancillary companies that provide services to the mainstream industry operators.

The value of the Irish seafood economy was estimated at over €1 billion in 2017 by the Economics and Strategic Services Unit of BIM using the expenditure method. The seafood sector is clearly a vital driver of economic activity in Ireland's coastal communities. Given the isolated geographical conditions of many of Ireland's coastal communities they lack the multitude of industries and services that are more ubiquitous in areas of higher population densities. The seafood sector acts as an important provider of employment and value creation in these areas and so it is important to assess the dependence of coastal communities on the seafood sector.

The seafood sector is now global with important decisions in fisheries made at international, EU and national levels while markets for the species cultivated and caught by the Irish seafood sector catches and cultivates grow around the world. International events, such as Brexit, can have significant repercussions on economic activity at the national, regional and local levels. Understanding how these global trends can affect Irish coastal communities and how the seafood sector contributes to the wider Irish economy are areas of special interest to BIM.

Detailed socioeconomic reports have been carried out for three major Irish ports and their hinterlands in the past, namely Killybegs, Castletownbere and Ros an Mhíl. In these reports a wide array of socioeconomic variables were collected and multiplier effects were estimated.

In this project data was collected on ten ports and their hinterlands on all aspects of the seafood economy with the objective of developing a bottom-up census of seafood related business activity. The ten ports are Greencastle, Killybegs, Ros an Mhíl, An Daingean, Castletownbere, Union Hall, Dunmore East, Kilmore Quay, Howth and Clogherhead.

Detailed lists of businesses were created and data was collected on turnover, costs, employment, the sources of inputs and outputs for the direct and indirect companies involved in and serving the fisheries, aquaculture and processing sectors of these regions. Primary data was collected via face to face interviews and telephone interviews with key seafood stakeholders in each study area and with ancillary businesses. Social statistics were collated for each area describing key social indicators that characterise the demographic

structure and labour force structure and insights into the decision-making process of firms in the sector. Multiplier estimates were calculated for the indirect and the induced value added and employment generated from the seafood sector. The flows of value added were characterised from sea and farm to plate for each study area. All data collection, storage and data sharing processes were compliant with recent GDPR legislation. Metadata for project datasets must also be compliant with the EU Inspire directive.

## **Objectives**

- 1) Social statistics of key Irish ports and hinterlands
- 2) Sound methodology for data collection and a seafood business register for the aforementioned key Irish ports and hinterlands
- 3) Detailed economic and social statistics for seafood sectors in key Irish ports
- 4) Data on economic structure of focus areas and contribution of seafood sectors to overall economy
- 5) Downstream economic multipliers for key ports
- 6) Provision of all raw data and analytic data georeferenced
- 7) Provision of 11 reports, one for each port study area and one national assessment

## **Budget**

The fee charged by the Contractor was €73,790 net cost (gross cost of €90,761.70). As the Contractor was from the United Kingdom VAT was not applicable therefore the net cost is what was paid out.

## **Achievements / Spend**

Commerical fishing, aquaculture and fish processing at the 10 ports bring substantial economic benefits to the Irish economy. When the direct, indirect and induced impacts are combined, we calculate that seafood activity related to the 10 ports sustained a total of 8,445 jobs throughout Ireland in 2018, paying wages worth €267 million.

We also find that this activity generated a total contribution to Ireland's GDP of €646 million and provided fiscal benefits estimated at €56 million. Fig. 1 shows how these national totals are divided between the direct, indirect, and induced impacts.

Combined economic benefits of the 10 ports' seafood activity, 2018

Ports seafood sector	Ireland		
	GVA (€m)	Employment	Wages (€m)
Direct	366	4,775	136
Indirect	195	2,695	91
Induced	86	970	39
<b>Total</b>	<b>646</b>	<b>8,445</b>	<b>267</b>

### The seafood sector's impact on local Irish economies

In terms of GVA, employment, and wages, we see that the ports' seafood sector makes an economic contribution in all eight NUTS3 regions of Ireland—even those with no direct port presence. None of the 10 ports fall within the Midlands or Mid West, but these regions still receive some of the benefits via supply chain and subsequent consumer spending.

We estimate that these overall economic benefits are largest in the Border and South West regions (see Fig. 2). Between them, these regions are home to five of the 10 ports included in our analysis, including two of the largest ports in terms of seafood sector activity: Killybegs (Border) and Castletownbere (South West). As a result, the Border and South West regions account for over two thirds of the seafood related turnover generated across the 10 ports.

Estimated benefits of the ports' seafood sector by NUTS3 regions

Ports seafood sector	Model output summary		
	GVA (€m)	Employment	Wages (€m)
Border	199	2,440	81
West	45	765	20
Mid West	8	120	4
Mid East	48	540	25
South West	177	2,475	66
South East	79	1,140	33
Dublin	86	855	32
Midlands	6	105	4
Total	646	8,445	267

These wide-ranging local impacts are especially important given that the port economies are not affluent areas, relative to the national average. While their unemployment rates are broadly below average, this hides weak employment opportunities (with net out-commuting a common trend) and relatively high rates of economic inactivity. In addition, the outlook for the port economies is likely to be challenging given their sectoral structure, demographic trends, and stock of skills. Therefore, a vibrant and growing local seafood sector is important for the economic and demographic health of these areas.

### The impact of each seafood sub-sector

We are also able to break down the total impact of the seafood sector across the 10 ports into each of its three sub-sectors. Our headline findings for each are:

- Activity in the commercial fishing sub-sector is estimated to have sustained 3,520 jobs, €112 million of wages, and made a €277 million contribution to the national economy in 2018.
- Activity in the aquaculture sub-sector sustained 1,230 jobs, €35 million of wages, and a €86 million contribution to the economy.

- The fish processing sub-sector sustained 4,355 jobs, €145 million of wages, and contributed €347 million to the Irish economy.<sup>1</sup>

Eleven reports (1 for each port and one general report summarizing results at the national level) each detail the social statistics, economic variables, supply chains and seafood related business register for each port hinterland.

SUMMARY OF SPEND:

Total Approved	
<b>Total Eligible Expenditure</b>	€60,000
<b>Total Drawdown</b>	€60,000
<b>EU – 50%</b>	€30,000
<b>Exchequer – 50%</b>	€30,000

Report: Richard Curtin

Date: February 2020

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<sup>1</sup> Summing the benefits of all three sub-sectors within our definition of the seafood sector (commercial fishing, aquaculture and fish processing) will overestimate the indirect and induced impacts, and as a result, overall impacts. This is because the supply chain of the processing sub-sector will likely contain a proportion of the port's fishing sub-sector and its supply chain. To get the direct totals (for employment, GVA and wages), we add all the three sub-sectors. However, for the indirect and induced totals, we sum those of the processing sub-sector with a proportionate share of the fishing and aquaculture (according to the proportion of sales not destined for local processors and informed by the survey exercise). The remainder of the fishing and aquaculture indirect and induced impacts will already be accounted for within that of the processors.

