

Talks soon on major development project for Shannon estuary

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THE Department of the Taoiseach has finalised a prospectus for the development of the Shannon estuary as a major transshipment and industrial port and detailed discussions on the project with local interests and the industrial development agencies will begin shortly.

The idea was first mentioned by the Taoiseach, Mr Reynolds, at the IMI Conference in Killarney in April. Since then a strategy has been drawn up involving dredging the estuary to allow the largest tankers to pass through and industrial and infrastructural development on both sides of the river.

The next and crucial stage involves determining if there is a market for the kind of development envisaged. The prospectus, drawn up by Dr Con Power, special economic development officer to the Taoiseach, envisages the estuary developing as a major transshipment port, where, for example, large might be unloaded into smaller vessels for delivery across Europe. Some of the goods might undergo processing in the Shannon region before being shipped on.

Detailed costings must await an examination of the market interest in the project. Necessary dredging work so that the channel can accommodate the largest

tankers might cost around £10 million, but the associated infrastructure and industrial developments would require investment of several hundred millions over a period of years.

Dr Power argues that the current port and industrial facilities in the region mean that the proposal "is not pie in the sky" and involves building on existing activity. The ESB's Moneypoint station can already load and unload tankers of up to 200,000 tonnes and takes in 7.5 million tonnes of coal per annum for the ESB, while a number of other existing port facilities could also be developed.

The prospectus foresees the Moneypoint side of the estuary developing as a bulk handling facility, capable of taking tankers of up to 400,000 tonnes and also dealing with smaller ships. The State already owns over 600 acres at Ballylongford, on the opposite side of the estuary, and this is planned as a site for industrial development relating to the port activities and container storage.

The facilities on this side of the river would need substantial upgrading, involving new deep water and container berths. Foynes and Limerick would also be targeted for development.

The next phase involves discussions with local interests and with Shannon Development and the Industrial Development Author-

ity, which will be charged with investigating whether there is a viable market. Considerable research has already been done on shipping movements from North and South America, Australia, Japan and Korea. Among the areas to be investigated will be the potential for offloading ships from North and South America or the Far East and shipping on the goods in smaller tankers across Europe.

Dr Power believes that the opening up of eastern Europe "has changed economic geography" in favour of the project, giving Shannon the potential to act as a centre for the manufacturing, in whole or part, and shipping of Czech or Hungarian machine tools or as a staging post for the CIS's Baltic fleet, in the same way as Aeroflot uses Shannon airport.

While the initial cost of dredging the channel, which might be broken into two phases, is not too large at £10 million, the other costs of developing the associated infrastructure and attracting appropriate industries could be expensive for the state. If it is decided to proceed, much of the work would qualify for EC funding from the structural funds and possibly from the new cohesion fund.

As well as Moneypoint, the estuary is already the centre for the Aughinish Alumina plant, which ships in raw material and sends out finished product.