



Department of Transport
An Roinn Iompair



Shannon Airport Catchment Area

Economic & Tourism Development Plan

January 2008

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Executive Summary

Background

In November 2005, the Minister for Transport reached agreement with the US authorities on transitional arrangements for Shannon Airport in the context of the proposed EU-US "Open Skies" Air Transport Agreement. In announcing the new arrangements, the Minister indicated that his Department would prepare an economic and tourism development plan for the region.

The transitional arrangements for Shannon Airport provide that the 1:1 Shannon stop requirement for transatlantic air services serving Ireland (1 stop at Shannon for every stop at Dublin) would change to 1:3 for the period from October, 2006 to the end of March, 2008 after which the Shannon stop requirement would end. During this transition period, Irish air carriers are allowed to operate services to three points in the United States in addition to Boston, Chicago, Los Angeles and New York.

The proposed Air Transport Agreement between the European Community and its Member States on the one hand and the United States on the other was signed at the EU US Summit on 30 April 2007. While it will not enter into effect until 30 March 2008, the transitional arrangements relating to Ireland are being applied in the terms originally agreed with effect from 23 March 2007.

A further challenge for the region has emerged with the withdrawal from January 2008 of the Aer Lingus Shannon- Heathrow service.

The purpose of this report is to consider the issues impacting on Shannon Airport and to present a focussed Action Plan to assist the airport and the wider Mid-west region to adapt to the new circumstances.

The Plan has been drafted in consultation with the Department of Arts, Sport and Tourism, Department of Enterprise Trade and Employment, Department of Communications, Energy & Natural Resources and Department of Finance.

Action Plan

The latest income and employment data for the Mid West region indicate that the economy of the region has performed well in recent years. There is low unemployment and a healthy rate of labour force participation.

The proposed Action Plan sets out a series of measures relating both to the airport itself, key supporting infrastructure in the region and enterprise and tourism development. Specifically the Plan envisages:

- the establishment of an independent and financially viable airport authority with a growth oriented business plan and enhanced pre-clearance facilities for transatlantic traffic;
- the establishment of a focused tourism marketing programme to promote the wider Shannon catchment area in addition to the ongoing roll-out of existing programmes by Tourism Ireland, Fáilte Ireland and Shannon Development;
- a comprehensive transport infrastructure development programme through the implementation of Transport 21 which addresses all of the key surface transport linkages to Shannon airport;
- the development of broadband communications infrastructure designed to ensure that current and future enterprise have broadband access at competitive prices; and

- the continued delivery of the enterprise agencies' support programmes and activities, including the achievement of the targets set out in the Shannon Development Corporate Plan.

Implementation of the Action Plan will help to ensure that the Airport is well placed to respond to new challenges and to fully exploit opportunities presented by Open Skies and the restructuring of the airport authority so that the economy of the region can continue to grow.

The plan is consistent with the stated objectives of the National Spatial Strategy, which recognises the Limerick/Ennis/Shannon area as a Gateway/Hub zone for future development. It also takes account of many of the transport infrastructure projects proposed in the Mid West Regional Planning Guidelines.

Shannon Airport Authority

Through a more focused commercial operation, an independent Shannon Airport Authority (SAA), with a sustainable cost base, could play a greater role in stimulating and supporting regional economic activity to the benefit of its customers - both airlines and passengers - and of Irish tourism, trade and industry.

While Dublin Airport Authority (DAA) retains statutory responsibility for the operation, management and development of Shannon Airport, certain functions are performed on its behalf by the Shannon Airport Authority (SAA) since the enactment of State Airports Act 2004.

DAA has made capital investments of the order of €100 million in Shannon in the last ten years and has invested about €40 million in the recent airport restructuring plan, which involved agreement on a radical overhaul of the airport's cost base. Plans are being progressed to provide a further €25m capital expenditure to Shannon Airport in 2008 for the provision of pre-clearance and other facilities.

The DAA has encouraged specific initiatives to stimulate airport growth such as incentive schemes which, for example, played an important part in the establishment of a Ryanair base at Shannon.

The DAA has a central coordination role in the conclusion of the business planning processes for Shannon and Cork Airports under the State Airports Act 2004. Shannon Airport Authority recently submitted its business plan to the DAA who in turn has submitted the plan together with the plans for Cork and Dublin to the Department with its commentary on airport separation. The Minister hopes to make progress on restructuring in the coming months.

The Department of Transport has been holding discussions with the US Authorities with a view to extending the existing US pre-inspection facilities to full pre-clearance of immigration, customs and agriculture requirements for all US bound flights from Shannon and Dublin Airports. The matter is receiving priority from the Minister and Government.

Tourism Marketing

The programme for Government includes a commitment to provide marketing support to the Shannon region for a transitional period to help consolidate existing markets and develop new sources of business. To this end, it is intended to provide additional funds, over and above existing commitments in the NDP for a targeted Tourism Ireland-led overseas marketing campaign for the wider catchment of Shannon Airport, from Kerry to Donegal. This campaign will have regard to Tourism Ireland's New Super Regions Initiative and its Strategic Frameworks for North America and Mainland Europe.

The campaign will be delivered overseas by Tourism Ireland and will involve Tourism Ireland, via a dedicated group, working in close consultation with the Fáilte Ireland Regions, Shannon Development and key industry interests on the formation and monitoring of the campaign.

The plan also envisages the continued rollout of existing funding programmes by Tourism Ireland, Fáilte Ireland and Shannon Development.

There is also a commitment in the programme for Government to investigate the feasibility of a Regional Conference Centre in the Shannon/ Limerick area.

Transport

Significant improvements in the transport infrastructure of the region will be achieved through investments under Transport 21 and the National Development Plan. The plan will see the completion of a package of measures leading to improved road and rail access for the Shannon and wider region, including:

- N7 Limerick - Nenagh;
- N18 Limerick - Galway;
- N20 Limerick- Cork;
- N21 Limerick- Adare;
- Southern Ring Road / Limerick Tunnel;
- Atlantic Corridor linking Donegal with Waterford via Limerick;
- Western Rail Corridor, including a Limerick-Galway rail link, and
- direct bus connections from airport to tourism and urban centres (Killarney, Galway).

The anticipated cost of individual projects within Transport 21 is commercially sensitive information which, as a matter of practice, is not released until the public procurement processes are completed. However, approximately €2 billion has been committed in total to road projects in the Shannon region, which are already in construction or at an advanced stage in planning.

In 2006 the Government approved funding of approx €100 million for the development of the first phase of the Western Rail Corridor from Ennis to Athenry. Work is now underway and Phase 1 (Ennis/Athenry) is due for construction completion in late 2008 with services being commenced in 2009. Funding in principle has also been approved for Phase 2 of the Corridor between Athenry and Tuam for completion by 2011.

Broadband communications infrastructure

The Department of Communication Energy & Natural Resources have approved the further rollout by Shannon Broadband of eight more Metropolitan Area Networks (MANs) in the counties of Clare, Limerick, Tipperary and Offaly under Phase II of the Metropolitan Area Network Programme. The objective is to provide an installed, carrier-neutral, high-speed, open-access broadband infrastructure to address the medium to long term requirements of network operators, businesses and organisations, with the aim of supporting inward investment, indigenous companies and social development in the Shannon Development region.

The MANs Phase II programme commenced in June 2007 and construction is now underway in eight towns - Abbeyfeale, Banagher, Birr, Kilrush, Nenagh, Newcastle West, Roscrea and Templemore. It is anticipated that the programme will be completed in early 2008 and will be delivered within budget . The project is estimated to cost approx €12-13 million with 90% of the funding being made available by Department of Communications, Energy and Natural Resources, and with Shannon Development and the Local Authorities contributing 5% each.

Enterprise Development Agencies

The Enterprise Development Agencies, Enterprise Ireland, IDA Ireland, Shannon Development and the City and County Enterprise Boards have a key role to play in promoting the development of the Mid West region in line with the Government's policy objective of ensuring balanced regional development and the implementation of the National Spatial Strategy.

Under its new mandate, Shannon Development has been given a more focussed regional economic development role, with priority to be given to addressing the needs of the less developed part of the region. The Company will continue to work in partnership with other stakeholders to identify and bring forward new initiatives, projects and programmes to maximise the development potential of the region.

Summary of Economic & Tourism Development Action Plan

Sector	Initiative	Dept/ Agency	Key Deliverables
Shannon Airport	Progress the establishment of New Independent Airport Authority Investment in SAA	Dublin Airport Authority Shannon Airport Authority Department of Transport	<ul style="list-style-type: none"> • A financially viable, independent airport authority • A business plan to maintain recent strong traffic growth • Extension of US pre- inspection facilities
Tourism	Tourism Marketing	Department of Arts Sport & Tourism Shannon Development Fáilte Ireland Tourism Ireland	<ul style="list-style-type: none"> • Tourism Ireland overseas Marketing push for the wider Shannon catchment • 'Super Regions' Initiative • Rollout of existing funding programmes by Tourism Ireland, Fáilte Ireland and Shannon Development • Establishment of a new special tourism marketing initiative • Feasibility study for a Regional Conference Centre
Transport Infrastructure	Implementation of Transport 21	Department of Transport; National Roads Authority Bus Éireann and private operators	<ul style="list-style-type: none"> • Atlantic Corridor Road (linking Donegal and Waterford via Limerick) • N7 Limerick-Nenagh • N18 Limerick- Galway • N20 Limerick –Cork • N21 Limerick - Adare • Southern Ring Road / Limerick Tunnel • Western Rail Corridor, including a Limerick-Galway rail link. • Direct bus connections from airport to tourism and urban centres (Killarney, Limerick)
Communications	Broadband Infrastructure	Department of Communications Energy & Natural Resources Shannon Broadband	<ul style="list-style-type: none"> • Construction of Broadband infrastructure through MANS programme.
Development Agencies	Re-focussed Shannon Development and Enterprise Ireland	Shannon Development Enterprise Ireland IDA Ireland City and County Enterprise Boards Department of Enterprise, Trade & Employment	<ul style="list-style-type: none"> • New mandate & corporate plan for Shannon Development • Completion of specific initiatives for delivery by Shannon Development • Continued implementation of Enterprise Development Strategy e.g. 'Activity Clusters'

Shannon International Airport

Introduction

Shannon Airport is a key driver of regional economic development in Ireland and contributes to achieving the national policy goal of balanced regional development as detailed in the National Spatial Strategy and the Mid West Regional Planning Guidelines.

The Airport serves as a gateway to Ireland's primary tourist locations in the West and South West of the country. Tourist traffic plays a vital role in Shannon Airport's traffic mix and in turn the air services driven by tourist traffic help to support industry and the wider regional economy. This demonstrates the interdependence of tourism and industry in the traffic mix of Shannon Airport while both sectors depend heavily on air services at the Airport for their prosperity. The Airport's passenger and air-freight services play an important role in attracting Foreign Direct Investment (FDI) to the West of Ireland and this investment generates additional activity and employment in sub-supply and support services. The jobs supported are spread across manufacturing industry, tourism and other internationally traded services.

The aviation industry has experienced dramatic change in recent years. The future development and growth of all international and regional airports in the State will depend largely on how each airport responds to new challenges and succeeds in exploiting the emerging opportunities.

Emerging Challenges and Opportunities for Shannon Airport

EU/US 'Open Skies'

Liberalisation of EU air services in the 1990s and the freedom of access to the internal market for airlines within the EU has resulted in major improvements in the aviation market in the Community. A much wider variety of services are now available to passengers and the strong growth in the low-fares sector has made air transport virtually as accessible as other forms of long distance public transport.

As experience at European level shows, liberalisation leads to strong growth and decreased prices in the aviation market. Freedom of access leads to many more destinations being served. A similarly liberalised EU-US open skies environment can be expected to have similar positive consequences for transatlantic air travel.

Under the regime for transatlantic services which applied until the end of October, 2006, US carriers had rights to operate scheduled services from any point in the US, to either Dublin or Shannon, provided that the total number of such direct flights to Dublin was matched by the same number of direct non-stop flights to Shannon over any one year period of a summer followed by a winter season. Similar requirements applied to charter flights.

In November 2005, EU and US negotiators concluded work on the text of a first-phase EU-US Open Skies agreement. As part of the EU-US deal the Minister for Transport reached agreement with the US authorities in relation to a transitional arrangement for Shannon Airport. This provided that the 1:1 Shannon stop requirement (1 stop at Shannon for every stop at Dublin) would change to 1:3 for the period end-October 2006 to end-March 2008 after which the Shannon stop requirement would end. During the transition period Irish carriers have the rights to operate services to three additional points in the United States over and above the points already being served i.e. Boston, Chicago, New York and Los Angeles.

The proposed Air Transport Agreement between the European Community and its Member States on the one hand and the United States on the other was signed on behalf of the Community and the US at the EU US Summit on 30 April, 2007. While it will not enter into effect until March 2008, the transitional arrangements relating to Ireland are being applied in the terms originally agreed with effect from 23 March, 2007.

A number of reports (the Brattle Report for the European Commission, the Report of the Tourism Policy Review Group to the Minister of Arts, Sport and Tourism, and the Air Transport Users Council (ATUC) of the Chambers of Commerce of Ireland Report into Open Skies) all supported moving to open skies with the US, and emphasised the significant benefits to Ireland when this happens.

From the perspective of air carriers the most immediate benefit is that Irish and other European carriers are permitted to launch services on three new US routes. Aer Lingus has moved quickly to avail of the new opportunities and has already commenced new services to San Francisco, Orlando and Washington Dulles this year. From 30 March, 2008 it will be possible for Irish and European carriers to provide services between Ireland and any US airport.

The benefits for Ireland will be very significant in terms of increased tourism and economic activity. The opportunity for increased tourism is obvious. The Irish Hotels Federation has estimated that the Open Skies deal could double the number of US visitors to 2 million within seven years, generating an extra €1 billion for the Irish economy.

From a business perspective new direct connections will open access to new markets and business linkages. This will provide a further impetus to the close economic relations that already exist between Ireland and the US.

Notwithstanding the considerable national benefit of the proposed regulatory changes, they do give rise to significant challenges for both Shannon Airport and the Shannon region, to grow air traffic in a free market as distinct from a compulsory stop over regime, particularly when coupled with the withdrawal of the Aer Lingus Shannon-Heathrow service.

Shannon Airport Authority (SAA)

At present Dublin Airport Authority (DAA) has statutory responsibility for the operation, management and development of Shannon Airport. Since the enactment of the State Airports Act 2004, certain functions of DAA in relation to Shannon Airport are performed on its behalf by SAA, subject to the terms and conditions of a management agreement. These include managing Shannon Airport on a day to day basis, taking all proper measures for the safety, security, management, control, regulation, operation, marketing and development of the Airport, promoting investment at the Airport and managing human and other resources.

Over recent years, DAA has provided direct support to Shannon Airport in the following areas:

- investment by DAA in a restructuring plan of c.€40m to enhance the efficiency of airport operations (see below);
- capital expenditure of around €100m in the 10 year period from 1997-2007. In 2007 alone €9m was allocated to Shannon;
- support for a 50% growth in passenger base from 2.4m in 2004 to 3.6m in 2006; and
- specific initiatives to stimulate airport growth which have included:
 - development of the Ryanair base with airport charges incentives,
 - development of route incentive schemes to promote development generally,

- introduction in September 2007 of the European Hub Airport Incentive Scheme, which is designed to attract airline services to the key European Hub airports to provide connectivity for passengers to worldwide destinations for both business and leisure purposes, and
- working with airlines to attract a replacement for the Aer Lingus-LHR service.

Plans are being progressed to provide a further €25m capital expenditure to Shannon Airport in 2008 for the provision of pre-clearance and other facilities.

The State Airports Act 2004 provides for the establishment of the three State Airports at Dublin, Shannon and Cork as fully independent and autonomous authorities under State ownership. Through a more focused commercial operation, an independent Shannon Airport Authority could play a greater role in stimulating and supporting regional economic activity to the benefit of their customers, both airlines and passengers, and of Irish tourism, trade and industry.

The DAA has a central coordination role in the conclusion of the business planning processes for Shannon and Cork Airports to cater for their establishment as independent airports under the Act. Shannon Airport recently submitted its business plan to the DAA who in turn has submitted the plan together with the plans for Cork and Dublin to the Department with its commentary on airport separation. The Minister hopes to make progress on restructuring in the coming months.

If Shannon airport is to develop as a successful and sustainable business, it is clear that one of the issues that had to be addressed in its business plan was the airport's uncompetitive cost base. With the assistance of the LRC a comprehensive €40 million restructuring plan, which will have the impact of delivering €10 million annually in cost savings to achieve a cost base in line with Shannon's peer airports, was agreed earlier this year with the Shannon trades unions and staff. The development is most welcome and offers significant opportunities for a successful and viable Shannon airport that will serve the needs of the Mid West and the wider airport catchment area.

Withdrawal by Aer Lingus of Shannon-Heathrow Service from January 2008

Aer Lingus announced on 7th August 2007 that it had decided to discontinue its Shannon–Heathrow service with effect from January 2008.

A Senior Officials Group convened by the Department of the Taoiseach has examined the implications of the Aer Lingus decision. It has been looked at from the point of view of connectivity options for the Shannon region, the implications for business and tourism and the overall regional development context.

There are clearly negative impacts arising in terms of loss of connectivity options. However there are a range of mitigating factors which will offset these negative impacts, including:

- Aer Lingus has confirmed its commitment to serving the transatlantic market to/from Shannon. Through a new link-up with US carrier JetBlue access to/from Shannon will be possible via 50 airports in the US, Mexico and the Caribbean.
- New direct services to Ireland are possible under open skies. Aer Lingus has already started new services to Washington, Orlando and San Francisco. Experience suggests that 50% of North American visitors can be expected to include a trip to the mid-West in their itinerary.
- Ryanair has already announced its intention of adding a new daily service to each of Stansted, Gatwick and Luton bringing their services to the London market to seven per day.

- The Shannon Airport Authority is actively engaging with carriers about new services to/from Shannon including Shannon Heathrow. In this regard, the Authority published a European Hub Airport Incentive Scheme, which became effective from 1 January 2008.

Restoration of Global Connectivity

CityJet/Air France will begin a new daily service between Shannon Airport and Paris Charles de Gaulle from 4 February 2008. The new service will provide excellent connectivity for business and tourism passengers wishing to fly to and from Shannon. Not only will the new service connect Shannon with Paris, but it will also facilitate onward connections to over 800 destinations through the Skyteam Alliance of which the Air France/KLM group is a member. This new service should provide a suitable replacement for the Shannon-Heathrow service, in terms of ensuring global connectivity for the Shannon Airport catchment area.

Passenger Growth

Shannon International Airport continued to be one of the fastest growing airports in Europe in 2006. After growing by almost 1 million in 2005 (a 38% increase), passenger levels grew by a further 10% in 2006, reaching 3.6 million passengers.

In 2007, Shannon achieved a total passenger throughput of 3.62 million. An increase in international traffic of 6% was achieved despite the commencement of the Open Skies transition in November 2006, which saw the reduction in transatlantic traffic limited to just 4%. This was more than compensated for by a 10% growth in short-haul traffic.

Traditionally, Shannon Airport has had a strong focus on the development of transatlantic routes and certain limited key UK routes such as London, Manchester and Birmingham. Management at Shannon is currently focusing on aggressively growing the UK and European short-haul market at Shannon, as well as continuing the development of North American routes.

There was an 11% increase in traffic to the UK in 2006, following growth of 67% in 2005. The numbers travelling to continental Europe increased by 25%, following a 50% growth in 2005. New scheduled services include Rome, Biarritz, Carcassonne, Madrid, Murcia, Faro, Venice, Manchester, Edinburgh and Bournemouth, Krakow, Wroclaw, Lodz, Gdansk, Vilnius, Fuertaventura, Riga and Tenerife.

Ryanair, opened a European base at Shannon Airport in May 2005 and in addition to its new European services the airline has also commenced services to Nottingham, Liverpool, Bristol, London-Luton, London-Gatwick, Edinburgh, Birmingham and Leeds-Bradford bringing the total number of destinations served by Ryanair from Shannon to 30.

In response to Aer Lingus' decision to discontinue the Heathrow service, Ryanair recently announced that it would operate additional flights from Shannon to its three airport bases in London, underlining the fact that the airline industry is quick to respond to emerging business opportunities. The additional Ryanair flights also increase the connectivity options for passengers wishing to make onward journeys to other European and long-haul destinations, bearing in mind the extensive range of international air services available at Stansted and Gatwick in particular.

The recent passenger growth has also led to increased car parking and commercial revenues and Shannon's positioning as a low cost gateway is gaining momentum.

The scale of operations at Shannon clearly suggests that there is a market for transatlantic services to and from Shannon, notwithstanding the ending of the traditional Shannon Stop requirement.

Proposed extension of US pre-inspection facilities

The Department of Transport has been holding discussions with the US Authorities with a view to extending the existing US pre-inspection facilities to full pre-clearance of immigration, customs and agriculture requirements for all US bound flights from Shannon (and Dublin) Airports. Such a development could have a major impact on the growth of US bound services from Shannon. The matter is receiving priority from the Minister and Government.

Cargo traffic

Shannon's cargo market has performed well in recent years and accounts for approximately 25% of the country's airfreight needs. Flown cargo tonnage in 2006 increased by 5% to 31,000 tonnes. It is particularly well served by the integrated (express) carriers and Shannon is the only airport outside Dublin to be linked to their European hubs by all four major global cargo operators – DHL, FedEx, TNT and UPS. Shannon's positioning as Ireland's long-haul air cargo gateway sees it continuing to handle significant chartered freighter movements from the U.S., the Middle East and Asia.

Aer Lingus commitment to transatlantic services

Through last year's IPO of shares in Aer Lingus, the company now has new equity of the order of half a billion Euro, which provides it with an unique opportunity to pursue its expansion based business strategy, fulfilling the Government's overarching objective of providing the Company with access to new equity to enable it to compete effectively and to grow its business on short-haul and long-haul routes. The airline took delivery of two new long haul A330 aircraft in mid-2007 and on 14 November 2007 the company signed a deal with Airbus for 12 new aircraft for its long-haul expansion plans. Under the deal, Aer Lingus also has a right to buy another six aircraft.

Aer Lingus welcomed the announcement regarding the special agreement secured with the US on Shannon in the context of the EU-US negotiations on Open Skies. The airline moved quickly to commence services to 3 additional destinations in the US from Autumn 2007 (San Francisco, Orlando and Washington) over and above those currently being served by Aer Lingus (Boston, Chicago, Los Angeles and New York). This is vital to enable Aer Lingus to plan for growth in its long-haul business, to access new markets and to provide more choice for consumers. The new services by Aer Lingus from Washington, San Francisco and Orlando, and the potential for additional services by US carriers under Open Skies, provide the opportunity to substantially grow more North American business to Ireland. Traditional travel patterns and the attractiveness of tourism product in the West, suggest that over 50% of such incremental business will involve visits to Ireland's western regions.

On 7 November 2007, Aer Lingus announced that it would, for Summer 2008, maintain daily direct flights between Shannon to New York and Shannon to Boston and a daily flight to Chicago via Dublin. This reflects a continuation of the schedule being operated over the winter 2007/2008 period. The operation of two daily direct services between Shannon and the United States entails the provision of well over 400,000 seats to/from Shannon.

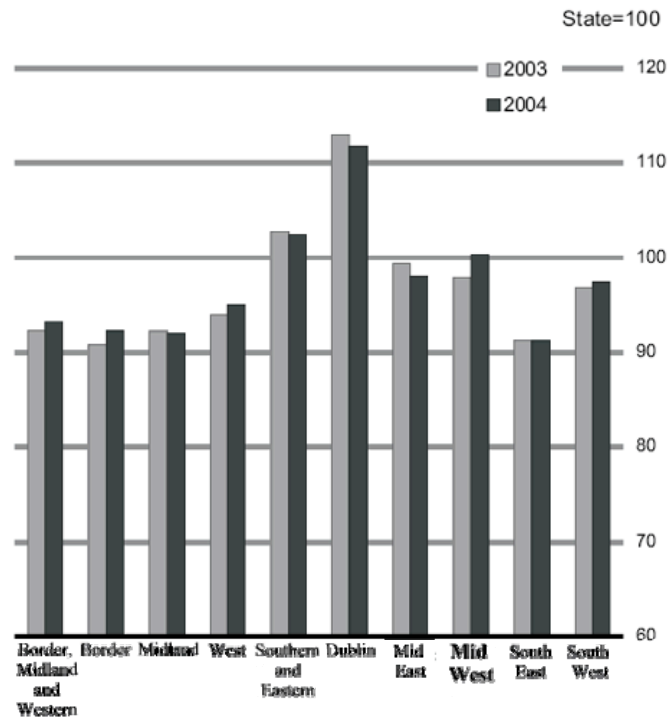
Economic Development in the Region

Economic profile

The Mid-West region continues to perform well in economic terms.

A key indicator of economic performance is relative income level. The table below, which was released by the CSO in February 2007, gives a regional breakdown of the index values of disposable income per person for 2003 and 2004. This shows that disposable incomes per capita in the Mid West region is faring well compared with other regions. The Mid West region has an average disposable income that is marginally above that of the country as a whole. Disposable incomes per capita are markedly higher in Dublin. With the exclusion of Dublin, the Mid West region compares very favourably with other regions of the country.

Index values of Disposable Income per person, 2003 - 2004



(Source: County Incomes and Regional GDP 2004, published by the Central Statistics Office on 27 February 2007).

The total number of permanent jobs in enterprise agency assisted firms stood at 29,735 at the end of 2006, which represents an increase of almost 2,500 since 1997. Latest figures show unemployment in the Mid-west region at a low level of 5.5%, while labour force participation at 62.8% remains high. *(Source: Quarter 3 CSO 2007 figures)*

Role of the Enterprise Development Agencies

The Enterprise Development Agencies, Enterprise Ireland, IDA Ireland, Shannon Development and the City and County Enterprise Boards have a key role to play in promoting the development of the Mid West region in line with the Government's policy objective of ensuring balanced regional development and the implementation of the National Spatial Strategy.

Under its new mandate, Shannon Development has been given a more focussed regional economic development role, with priority to be given to addressing the needs of the less developed parts of the region. The Company will continue to work in partnership with other stakeholders to identify and bring forward new initiatives, projects and programmes to maximise the development potential of the region. Specific initiatives contained in the Company's new three year Corporate Plan drawn up to reflect the terms of the new mandate include:

- building the Knowledge Economy in the Shannon Region;
- the regeneration of the Shannon Free Zone as a location for high value added, knowledge age investment;
- development of Kerry Deepwater Zone;
- *eTowns*, designed to build the knowledge economy of the region; and
- tourism flagship projects.

Foreign Direct Investment.

Attracting Foreign Direct Investment (FDI) remains a key element of Government policy. The IDA and Shannon Development continue to pursue initiatives to attract FDI into the Mid West region. This involves appropriate marketing of the region's attractions, highlighting its track record of achievement in addition to building on these attributes to make the Mid-West a leading region for modern FDI investment.

Existing policy recognises that, while the region is performing well in terms of employment and economic growth, the record in retaining higher added value employment is mixed. This represents a challenge and the agencies are working with all local and regional interests to ensure that the region's relative attractiveness for investment is improved. This includes improved marketing and on-going investment in business parks such as the Shannon Free Zone, Raheen Business Park and the National Technology Park.

Increasingly, the development of modern FDI sectors requires clusters of activity. These tend to be centred around Institutes of Higher Education and the region is well endowed in this regard with a leading university with a track record of collaboration with modern business sectors.

The development agencies in their policy for the region are focused on further developing clusters essential to ensure that the region achieves its capacity. Several new and established sectors offer growth prospects for the future, including the life sciences and especially biotechnology and medical technology, ICT including software, digital content, aerospace, tourism/leisure, agribusiness, and access, warehousing and distribution. The agencies are committed to ensuring that all steps are taken to develop these clusters and to attain the critical mass to develop self-sustaining nodes of economic development.

Indigenous Industry

Enterprise Ireland activity is focussed on supporting entrepreneurs and start-up companies in manufacturing and internationally traded services, driving the development of existing companies and in enhancing the innovation capability of Ireland at a national and regional level. Enterprise Ireland intends to build on the good performance of indigenous industry in the Mid West, making available the wide range of support services which have been available in an integrated way nationally.

The Mid West Region has significant clusters of established companies in the food and industrial market sectors. Enterprise Ireland will drive their innovate capacities and improve their ability to compete internationally by providing the necessary supports in areas such as R&D, productivity improvement and through EI's Overseas Office Network.

The creation of innovation-led high potential start up companies, given the higher value added activities and employment opportunities they present, will be a particular priority. The region has a very good track record in this area and Enterprise Ireland will continue to encourage and support entrepreneurs setting up new High-Potential, Start-Up Companies (HPSUs). In education, the third level sector has a strong presence through out the region. Enterprise Ireland will continue to work with the third level sector through a variety of programmes and encourage links between these bodies and industry, with support for the commercialisation of Research and Development (R&D) for the development of new enterprises which have a strong technology-led foundation leading to high value-added jobs.

Enterprise Ireland's supports for indigenous industry will be complemented by the supports provided by the County and City Enterprise Boards (CEBs) in the region. The role of the CEBS in helping to generate a strong culture of entrepreneurship and the creation of new businesses is important as a generator of wealth and employment at the local level.

Development of Tourism in the Region

Tourism Agencies

Fáilte Ireland is the National Tourism Development Authority and has a key role in supporting and helping the industry to meet the challenges facing the entire global market. *Tourism Ireland* has responsibility for all-Ireland destination marketing, the delivery of regional and product marketing and promotion activity on behalf of Fáilte Ireland and the Northern Ireland Tourism Board and the overseas office network. In implementing their respective policies and programmes, both Agencies already have major commitments to regionality.

Tourism Ireland and Fáilte Ireland are involved in rolling out a new Super-Regions programme involving an enhanced joint marketing programme specifically for Ireland's western regions. Good work can be done to build tourism demand in the wider Shannon catchment, from Kerry to Donegal, within the framework of Tourism Ireland's new Regional and North American Strategies, the latter having been announced by the Minister for Arts, Sport & Tourism on 24 October 2006.

Shannon Development's tourism role

Responsibility for the development of tourism in Ireland's Mid West Region lies with *Shannon Development*. The Agency's mission, in this regard, is to initiate, participate in and support integrated tourism development that will achieve sustained economic growth in and throughout the Shannon region.

Tourism product development is pro-actively pursued by Shannon Development by means of supports including project identification, a tourism advisory service for prospective developers and grant aid support for certain categories of tourism projects. Through its network of Tourist offices, Shannon Development provides tourist services to visitors to the region.

Shannon Development's Tourism Product Promotion Unit works with the Region's trade to attract holidaymakers to the Shannon Region all year round. This unit supports and co-ordinates a drive to develop tourism programmes and holiday packages. The Agency works closely with, and in support of, tour operators, group producers, incentive houses, travel media and other key influencers.

Tourism performance

The period 2000-2005 was a stagnant one in terms of tourism visitor numbers in the Shannon Development tourism region. A sharp rise (25%) in visitor numbers in 2006, brought overseas visitor numbers to the Region back to the figure last seen in 1999.

An analysis of tourism revenue and visitor numbers in the 2001-2005 period indicates that performance in the Shannon region reflected national tourism trends with the fall-off in visitor numbers from North America and other areas in 2002 and 2003 and stagnating revenues in 2004 and 2005, despite the increased visitor numbers.

Over the past 6 years, the Shannon Region has accounted for up to 12% of overseas holiday nights and 11% to 13% of domestic holidays. With visitor numbers to the region increasing steadily since 2003, Fáilte Ireland estimates that the number of visitor nights in the region in 2006 grew by about 10% over 2005.

More recent indicators suggest that tourism in the Shannon region has benefited from the significant increase in new air routes and capacity from Shannon since 2005 with an increase in business from mainland Europe and the number of bed nights spent by North American visitors also estimated to have increased.

Fáilte Ireland's most recent Hotel Survey (Jan-July 2007) shows that national room occupancy in Hotels increased from 63% to 64% over the same period last year. The Shannon Development tourism region was one of two regions to experience a decline in occupancy - from 64% to 60%. The (Fáilte Ireland) Ireland West region, in contrast experienced a growth in occupancy - from 57% to 60%.

Tourism Funding

The national tourism Agencies, Fáilte Ireland and Tourism Ireland and Shannon Development all receive direct tourism funding from the Department of Arts, Sport and Tourism. The total Marketing Fund available to Tourism Ireland and Fáilte Ireland, in 2007 was €45 million and this has been increased, in the recent budget, to €50 million for 2008.

A report by the Mid West Regional Authority (MWRA) in June 2006 recommended additional funds (over €44 million over 5 years) to market the Shannon Region, primarily in North America. However, this figure has to be viewed in the context of the entire Tourism Marketing Fund in 2006 being €40 million. The MWRA's proposed annual spend of €8.8m would have actually exceeded the entire marketing spend of Tourism Ireland in the US market in 2006 which was, of course, to promote the entire island of Ireland. It should also be noted that all public overseas tourism marketing has to be channelled via Tourism Ireland, which is a North-South body whose funding and programmes are subject to North South approval.

Ongoing Tourism Initiatives

Tourism Ireland

One of Tourism Ireland's key aims is to focus on priority actions designed to improve the distribution of tourism. To that end, Tourism Ireland has adopted a multi-faceted strategy for the accelerated promotion of the regions of Ireland overseas. Tourism Ireland is investing about €5m specifically to support its new Regional strategy and to engage in additional, co-operative marketing with all Regions.

The 'Super Regions' initiative based on strategic marketing alliances between adjoining regions. For the Shannon Airport Catchment, this will manifest itself in an enhanced joint marketing programme specifically for Ireland's Western Regions (Shannon, Ireland West and North West). The campaign will highlight the attractions of the area, ease of access and present good value packages from the industry to consumers in the key markets of Britain and Mainland Europe.

Tourism Ireland's strategy will also include specific pairings of Super Regions with European regions, i.e., Ireland East with Northern Europe markets; Ireland South with Central Europe markets and Ireland West with Southern Europe markets.

Tourism Ireland works closely with regional interests on the specific overseas marketing requirements for Shannon including;

- presenting and promoting a series of all-island Tourist Theme Trails or 'Rainbow Routes' to help tourists get the most out of their visit - themes include music, gourmet; literature; history; Christian Heritage; Houses and Gardens and are cross-regional;

- working to exploit the opportunities presented by new air capacity and new air routes to the region; and
- a special focus on the car-touring sector, which is of key importance for regional spread.

Fáilte Ireland

Irish tourism growth in recent years has tended to be driven by the short urban break business, which has focused, to a large extent on Dublin. It is now a major focus of national tourism policy to seek to facilitate a better rate of growth across the regions. That policy priority is increasingly reflected in the programmes of the Tourism Agencies.

As part of a major push to improve tourism growth across the regions, Fáilte Ireland:

- allocated €9 million in 2007 for tourism development in the Shannon region; and
- created a €4 million national home holiday advertising campaign and new production material which will, inter alia, promote counties in the region.

The allocations for 2007 include:

- €3 million to assist development activities and attractions in the Shannon Region through product development grants; and
- funding to promote Shannon region in overseas markets in tandem with Tourism Ireland under the Super Regions initiative.

In addition to these initiatives Fáilte Ireland:

- has on a national level, put strong emphasis on promoting and supporting local festivals to continue and supported 30 festivals financially in the Shannon region during 2007;
- established 6 centres for the Return-to-Work programmes across the Shannon region to help address skills shortages. Such programmes complement the training provided at Fáilte Ireland's permanent training facility in Limerick. Programmes at University of Limerick and Limerick Institute of Technology have also been further developed;
- established 4 Tourism Enterprise Networks across all counties to develop small business in the region, with a major emphasis on providing support to the B&B sector. These Networks are designed for SMEs & MEs. They will be based on Action-Learning Principles and consist of 20-25 Owner/Managers per Network. A total of four tourism Learning Networks will be supported in the region (Limerick City, Limerick County, Clare and North Tipperary); and
- will, once the Scheme has received State Aids approval, work with the Mid Shannon Tourism Infrastructure Board in administering the Mid-Shannon Corridor Tax Incentive Scheme over the coming years, benefiting activity-product providers in the region.

A key criterion for the future success of Shannon Airport catchment is availability of the appropriate range and quality of tourism product. In that context, Fáilte Ireland, utilising moneys provided under the National Development Plan, has already initiated contact with all of the Local Authorities in the area

with a view to identifying and supporting rapid roll-out of new projects to improve its Tourism Infrastructure. Grants totalling €7 million have already been awarded for projects in the wider catchment area.

A new tourism programme specifically for the wider catchment of Shannon Airport

The formulation and implementation of the tourism element of the Economic and Tourism Development Plan is a matter for the Agencies concerned, in consultation with the Department of Arts, Sport & Tourism.

The Programme for Government includes a commitment to provide marketing support to the Shannon Region for a transitional period to help consolidate existing markets and develop new sources of business. In response to this commitment, the Government has approved, in principle, the provision of extra resources to the Minister for Arts, Sport & Tourism, for the purposes of tourism marketing with a view to promoting the wider catchment of Shannon airport, from Kerry to Donegal.

The Minister for Arts, Sport and Tourism is of the view that a special tourism marketing initiative will only have the possibility of delivering sustainable benefit, in the context of a cost efficient airport, proper route development especially to mainland Europe and Britain and accelerated provision of improved ground transport connections to the airport.

This special tourism focus will be targeted at the wider Shannon/Western catchment area and be formulated and delivered within the framework of Tourism Ireland's Super-Regions Initiative and North American Strategy.

The campaign will be delivered by Tourism Ireland which will form a Working Group embracing Shannon Development, Fáilte Ireland and other key players, to agree a programme of activities and monitor its implementation.

The new tourism marketing programme will concentrate on highlighting the attractions of existing regions, additional publicity and promotional activity highlighting the attractions of the Western regions, developing markets around new gateways and seeking to maintain good flows of business via existing routes, particularly through the off-season.

An outline Tourism Marketing programme is set out in Appendix 1.

Regional Conference Centre

The new programme for Government also includes a commitment to investigate the feasibility of a Regional Conference Centre in the Shannon/ Limerick Region. The first step in delivering on this commitment is to have an objective and independent study of the feasibility of such a facility, from both regional and national perspectives, undertaken. Accordingly, the Department of Arts, Sport and Tourism has asked Fáilte Ireland, the National Development Authority, to commission such a study. The Authority is currently in the process of drawing up draft terms of reference for the proposed feasibility study and a Steering Group, which will include a representative of Shannon Development, given its responsibilities in the region, will be set up to guide this work.

Transport Infrastructure & Services (Transport 21)

The National Development Plan 2007-2013

The National Development Plan (NDP) 2007-2013 proposes investment of €184 billion over the next 10 years in economic and social infrastructure, the enterprise science and agriculture sectors, training and education, environmental services and in the social fabric of society.

The NDP sets out a Regional Development Strategy, which is based on the framework of the 2002 National Spatial Strategy. This involves the promotion of investment in nine Gateway centres complemented by the development of hub and County towns and their rural hinterlands.

Limerick-Shannon has been identified as a "Gateway" under the NDP / National Spatial Strategy. It is described in the National Development Plan as Ireland's largest urban centre after Dublin and Cork. Limerick-Shannon constitutes the economic core of the Mid-west Region (County Limerick, County Clare and North Tipperary). Its population grew by 9.7% to 95,559 between 1996 and 2002 and Limerick City and County's population grew by 4.9% to 183,863 in 2006.

NDP recognises that the gateway particularly benefits from Shannon Airport, a strong enterprise base and the proven research capacity of the third-level sector in the Region. The NDP envisages considerable potential for the Gateway to generate and drive economic development and population growth. To achieve this, the NDP recommends that the Gateway put in place and implement an overall strategy for its development, focusing on unlocking further development potential in the city centre and docks areas. Effective bus-based public transport system and further diversification of its enterprise base will be important in this regard.

Priority investments identified in the NDP for the Limerick-Shannon Gateway are:

- a range of transport infrastructure projects and initiatives, including Transport 21 (see below);
- upgrading of public areas and streets in Limerick City and re-imaging of Limerick through a major urban renewal initiative;
- implementation of the cultural, recreational and public amenity strategy for Limerick and its wider environs;
- strengthening of R&D capacity in the city's third level institutions;
- implementation of a shared innovation between education providers and the enterprise sector;
- delivery of critical physical infrastructure such as water services and local access roads; and
- development of leisure and technology parks and strategic sites.

The Transport 21 Programme complements this strategy.

Transport 21

Transport 21 was launched by the Taoiseach, the Tánaiste, the Minister for Finance and the Minister for Transport on the 1st of November 2005. Transport 21 provides the investment framework through which the transport system in Ireland will be developed over the period 2006 to 2015. It involves investment in transport infrastructure in excess of €34 billion over that 10-year period and covers the areas of national roads, public transport and regional airports.

Transport 21 aims to develop Ireland's transport system, by significantly expanding capacity, increasing integration, enhancing quality, increasing accessibility and ensuring sustainability.

There are two main strategies to the delivery of Transport 21:

- A *Greater Dublin Area Strategy*, which involves the transformation and integration of the public transport system in the Greater Dublin Area and the substantial upgrade of the M50 Dublin c-ring motorway; and
- A *National Strategy*, which involves the development of a high-quality national transport network, with improved regional and local public transport networks and services.

Leaving aside the Dublin area, some of the major objectives of Transport 21 are:

- to complete the development of the inter-urban motorway network by 2010;
- to improve the rest of the national road network, focusing particularly on the balanced regional development objectives of the National Spatial Strategy and on the needs identified in the National Roads Needs Study;
- to complete the safety programme on the national rail network;
- to bring about a radical improvement in the level and quality of rail services, based on the policy framework provided by the Strategic Rail Review and involving in particular a major rolling stock modernisation programme;
- to develop the public transport system in the provincial cities; and
- to improve regional and rural public transport services.

Projects benefiting the Shannon Region under Transport 21

Overview

Transport 21 will improve transport links on a national basis, creating a national motorway network and improving national rail services. This will improve connectivity throughout the country, enabling easier access to the Shannon region from all parts of the country.

The programme will also deliver significant investment to the transport infrastructure in the Shannon region. Investment will be made in rail, road and buses which will improve access to Shannon Airport and also develop important new links with tourism and urban centres in the wider Western Region.

This multi-million Euro package of measures will greatly enhance the region's transport infrastructure over the next few years by improving access to Shannon Airport and developing important new links with tourism

and urban centres in the wider Shannon and Western Regions. This is part of a strategy for developing the Atlantic Corridor as a second major metropolitan corridor on the island of Ireland to complement and counter-balance the strengthening Dublin-Belfast corridor.

Development of Roads

In 2007, €1.53 billion was allocated to the National Roads programme, the largest single investment in the history of the State. The funding allows the National Roads Authority complete work on several schemes nationwide, including many improvements in the Shannon/Limerick region.

Within the road investment programme, a particular focus has been placed on investment in routes, which link the NSS Gateways. This includes a major upgrading of the Atlantic Road Corridor, which links many of the Gateways outside of the Greater Dublin Area.

Currently access to Shannon town and to the airport is by road, with a direct spur to the N18 Limerick – Galway road. The N18 is currently being upgraded to give a dual carriageway link throughout.

On 26 January 2007, the Minister for Transport officially opened Phase 1 of the Ennis Bypass. The by-pass comprises 14kms of high quality dual carriageway on the N18 and will remove over 20,000 vehicles from Ennis every day. This will assist the town in fulfilling the development hub role identified for it in the National Spatial Strategy. 4.6km of single carriageway on the N85 opened to traffic in August 2007 with the remaining 2.5km section of new dual carriageway scheduled for opening in 2008.

Other roads which serve the Shannon/Limerick region are the N7 Limerick – Nenagh, N20 Limerick - Cork and the N21 Adare – Limerick. Significant upgrade works are underway on these roads also.

Since 1997, the Government has invested over €398 million in national roads in County Clare alone. This year the County was allocated €26.435 million.

A new tunnel under the Shannon at Limerick, scheduled to open in 2010, will considerably relieve traffic congestion in the region.

The anticipated cost of individual projects within Transport 21 is commercially sensitive information which, as a matter of practice, is not released until the public procurement processes are completed. However, approximately €2 billion has been committed in total to road projects in the Shannon region which are already in construction or at an advanced stage in planning.

Railway infrastructure and services

While there is no direct rail link to Shannon there are good road and bus links to Ennis and Limerick railway stations. Investment in new rolling stock under Transport 21 will bring increased services to these routes, with hourly peak time services on the Dublin-Limerick line and increased commuter services between Ennis and Limerick. The development of the Western Rail Corridor will greatly expand rail services in the region. Completion dates for the three phases currently in construction/planning are Ennis to Athenry later in 2008, extension to Tuam by 2011 and extension to Claremorris by 2014.

Last year the Government approved funding of approx €100 million for the development of the first phase of the Western Rail Corridor from Ennis to Athenry. Work is now underway and Phase 1 (Ennis/Athenry) is due for construction completion in late 2008 with services being commenced in 2009. Funding in principle has also been approved for Phase 2 of the Corridor between Athenry and Tuam for completion by 2011.

Bus Services

There are numerous bus services to Shannon Airport, provided by both Bus Éireann and private operators. Bus Éireann's Galway/Limerick/Cork services operate via Shannon Airport (12 departures daily). In addition there are 30 direct services a day between Shannon Airport and Ennis. Onward connections are available en route to all parts of the Bus Éireann network.

Bus Éireann is currently in the process of procuring 160 new buses. It is understood that Bus Éireann is to deploy up to 28 of these buses in the Limerick and Galway regions.

Licensed private operators currently provide services from Galway to Shannon Airport (5 daily return services), Shannon Airport to Nenagh (5 services from Nenagh & 4 services to Nenagh) and Shannon Airport to Dublin Airport (2 from Dublin and 3 services to Dublin).

A number of applications for direct bus services linking Shannon Airport with tourism and urban centres, including Limerick, Cork and Killarney are currently being processed. It is anticipated that these applications for additional services will be finalised in early 2008.

Further details of the Transport 21 projects are in Appendix 2.

Broadband Communications Infrastructure

Introduction

It is government policy to ensure that Ireland is best placed to avail of the emerging opportunities provided by the information and knowledge society, by promoting investment in state of the art infrastructures, by providing a supportive legislative and regulatory environment and by developing a leading edge research and development reputation in the information, communications and digital technologies.

Broadband Infrastructure - Metropolitan Area Networks (MANs)

The Government established a programme to design and construct fibre optic Metropolitan Area Networks (MANs) in association with the local and regional authorities, using Government and ERDF funding under the NDP 2000-2006. These MANs remain in State ownership while allowing open access to broadband service providers. The Phase I MANs are being independently managed for the State by e-Net, which has been awarded a 15-year services concession contract. The MANs are fibre-based, ensuring adequate capacity for generations to come, and they will remain State-owned, with open access.

MANs enable telecommunications companies to provide cheap 'always-on' high-speed access to the Internet, a vital tool for industry and business and invaluable for educational institutes, health and research bodies and private consumers.

The Limerick MAN plus Northern Extension was completed in 2005 consisting of 65kms of primarily 4-way ducting. The Tait Business Centre in Dominic St., Limerick is the Point of Presence (PoP) or Co-Location facility for the new network. The network has been designed to link up with existing telecommunications infrastructure in the region which includes fibre infrastructure, Points of Presence and mobile operator base stations.

Broadband Metropolitan Area Network (MAN) Phase II

Following the successful completion of the Limerick Metropolitan Area Network project by Shannon Broadband (see below), the Department of Communications Energy & Natural Resources have approved the further rollout by Shannon Broadband of eight more Metropolitan Area Networks in the counties of Clare, Limerick, and Tipperary & Offaly under Phase II of the Metropolitan Area Network Programme.

The eight towns in the Shannon Development region are Nenagh, Roscrea, Templemore, Birr, Banagher, Newcastle West, Abbeyfeale and Kilrush.

The objective of Phase II in these eight towns is to hand over to the Management Services Entity (which will manage the MANs on behalf of the State) the eight networks consisting of installed, carrier-neutral, high-speed, open access broadband infrastructure to address the medium to long term requirements of network operators, businesses and organisations, with the aim of supporting inward investment, indigenous companies and social development in the Shannon Development region.

The MANs Phase II programme commenced in June 2007 and construction is now underway in all eight towns (Abbeyfeale, Banagher, Birr, Kilrush, Nenagh, Newcastle West, Roscrea and Templemore). It is anticipated that the programme will be completed within budget by early 2008. The project is estimated to cost approx €12-13 million with 90% of the funding being made available by Department of Communications, Energy and Natural Resources, and with Shannon Development and the Local Authorities contributing 5% each.

“Shannon Broadband”

Shannon Broadband Ltd. is a consortium that comprises Shannon Development, Limerick City Council, Limerick County Council, Kerry County Council, Clare County Council, North Tipperary County Council, and Offaly County Council. The Consortium is also supported by the Mid West Regional Authority. Shannon Broadband Ltd. has been set up to tackle the ‘connectivity’ issue, and to ensure that current and future enterprises have broadband access at competitive prices.

In the early part of 2001, Shannon Development completed a detailed review of the telecommunications infrastructure in the Shannon Region with a particular focus on the availability of broadband connectivity. As a result of this review, significant supply side deficits were identified. Subsequently, Shannon Development developed a strategy and action plan to address these deficits.

Shannon Broadband is seeking to attract new carriers, infrastructure and services into the Shannon region. This is to be achieved through a three-prong approach, namely:

- encourage the roll-out and use of new carrier-neutral infrastructure on a route from Limerick to Dublin;
- encourage a global carrier to establish a Point of Presence (PoP) in the region; and
- adopt a “node and spoke” approach to broadband connectivity, with Limerick/Shannon at the centre and the other regional demand nodes clustered (via a regional ducting network) to boost the overall case and leverage maximum investment into the region

The main programmes of work are the :

- MANS (see above) which involves the design & implementation of Metropolitan Area Networks to facilitate the offering of broadband carrier neutral fibre optic infrastructure around large towns in the Shannon Region; and
- Shannon Connect : To help stimulate and quantify demand for broadband services in local communities and to work with service providers to meet that demand.

Appendix 1

A new tourism marketing programme specifically for the wider catchment of Shannon Airport, from Kerry to Donegal

Subject to the requisite resources being available, the key elements of a Tourism Ireland-driven programme are set out below.

North America Market

North American visitors are vitally important to the island of Ireland. They stay longer and spend more per head than visitors from other markets – approximately 60% more than the average visitor – and generate one in every five Euro/Sterling spend on the island of Ireland

1. An integrated advertising, direct marketing and e-promotion programme which builds on the inter-regional campaign which Tourism Ireland has already developed with Fáilte Ireland and Shannon Development, to promote improved regional spread. This program would be exclusive to Ireland's Western Regions - the Airport's natural catchment.
2. Dedicated programmes designed to promote off-season demand. There would be co-operative media advertising in the gateway and key feeder cities and through direct marketing
3. Provide, under the Tourism Ireland banner, increased opportunities for a targeted and effective Western Regions presence at travel trade shows. This would include training seminars, educational sessions and some subsequent familiarization and inspection trips for preferred airline clients and travel trade contacts, including incentive houses and meeting planners.
4. The final element of this proposal would involve working with the industry on the ground in the Western Regions and select tour operators to develop attractively priced creative vacation offerings which would be promoted through a special publication and dedicated web pages to our existing enquiry database and the databases of our industry partners and to service all future enquiries.

Mainland European Markets

Mainland Europe is the fastest growing market to the island of Ireland. Last year it accounted for over 2 million visitors and now generates tourism earnings equal to those of Britain. The Mainland European visitors' length of stay is stable at around 10 day's average. They are widely travelled within the island and utilise a wide variety of tourism products.

There are a number of excellent opportunities to increase visitor numbers to Shannon.

1. Increased co-operative promotion around existing Europe-Shannon routes. The aim will be to increase marketing activity in three catchment areas in Belgium, Germany and France. It is estimated that over 50 % of the traffic on these routes originates in the overseas market. Tourism Ireland will also work to exploit the marketing opportunities, which the opening of any new routes may present.
2. Exploit marketing opportunities arising from new access developments. Tourism Ireland is aware that there are a number of European routes into Shannon, which have the potential to deliver new

business, in particular during winter periods. Tourism Ireland will work with tourism and travel interests to maximize business arising from these new routes.

3. Increased marketing activity in a number of key markets designed to entice visitors to the Shannon and Ireland's Western Regions will deliver new business this year. Tourism Ireland could mount Western-specific campaigns in France, Germany, Netherlands and Italy designed for autumn short break business.

Britain

The British market represents the largest market in visitor volume terms to the Shannon region. However, visitors from Mainland Europe and North America spend more in the Shannon region and stay as long and indeed longer than visitors from Britain. Tourism Ireland will exploit tactical marketing opportunities as they arise from Britain, which will be focused on Ireland's Western regions, from Kerry to Donegal.

Shannon region – T21 road and rail project details

Roads projects

The wider Shannon/ Limerick region is currently served by the following routes:

- N7 Limerick - Nenagh
- N18 Limerick - Galway
- N20 Limerick - Cork
- N21 Adare - Limerick

There are a number of significant projects under construction or in planning on each of the above routes. The anticipated cost of individual projects within Transport 21 is commercially sensitive information which, as a matter of practice, is not released until the public procurement processes are completed. However, approximately €2 billion has been committed in total to road projects in the Shannon region which are already in construction or at an advanced stage in planning.

N7 Limerick / Nenagh

The proposed scheme consists of 28km of high quality dual carriageway/motorway and incorporates the upgrading of 10km of Nenagh Bypass to Dual Carriageway standard.

Work has commenced on site. It is anticipated that the 38km long scheme will be opened to traffic in summer 2009.

N18 Ennis By Pass (phase 2)

Phase 1 of the scheme, the N18 mainline section providing a bypass of Ennis town, consisting of 14km new dual carriageway was opened to traffic in January 2007. On the N85, 4.6 km of single carriageway opened to traffic in August 2007 with the remaining 2.5 km section of new dual carriageway scheduled for opening in early 2008.

N18 Limerick Southern Ring Road Phase 2 (Limerick Tunnel) (PPP project)

10km southern bypass of Limerick City. The project includes a 900-meter tunnel crossing of the River Shannon and a toll plaza on the north side of the river. Construction work on the scheme has commenced and is due for completion in 2010.

Projects in Planning

N18 Crusheen - Gort

22kms of high quality dual carriageway connecting from the Ennis Bypass to Gort in Co. Galway. The scheme was approved with modifications by An Bord Pleanála on 6th June 2007. A tender process for the construction of the project is expected to commence shortly.

N18 Gort - Oranmore

27kms of standard dual carriageway connecting Gort with the N6 Dublin to Galway route near Oranmore. The scheme was approved with modifications by An Bord Pleanála on 6th June 2007.

Atlantic Road Corridor

Transport 21 will see the provision by 2015 of a new high quality road corridor linking Donegal with Sligo, Galway, Limerick, Cork and Waterford. An upgraded N18 linking Limerick and Galway will form part of this new Atlantic Corridor.

N20 Limerick to Cork

This route is currently at planning stage.

National motorway network

Transport 21 provides for the completion of 5 major inter-urban motorways by 2010, linking Dublin with Waterford, Cork, Limerick, Galway and Belfast.

Railway infrastructure and services

Western Rail Corridor

Transport 21 will see a rail link between Limerick and Galway re-opened by 2008, as part of the Western Rail Corridor project. The Western Rail Corridor has the potential to play a key role in the economic development of the West.

Transport 21 provides for the re-opening of the lines from Ennis to Claremorris in 3 phases:

- Ennis to Athenry (by 2008)
- Athenry to Tuam (by 2011)
- Tuam to Claremorris (by 2014)

The preservation of the line from Claremorris to Collooney has also been provided for in cooperation with the Department of Community, Rural and Gaeltacht Affairs, which will fund the preservation works under the Clár Programme.

The line from Athenry to Galway forms part of the Dublin-Galway line.

The development of the Ennis-Athenry section will permit the introduction of scheduled train services between Limerick and Galway, and the development of the Galway Commuter Rail service between Galway and Athenry.

Limerick – Dublin Rail services

Hourly peak-time train services will be introduced in 2008 on the Dublin–Limerick line, with services every two hours during the off peak.

Ennis –Limerick rail services

There are currently 8 services on this line. Irish Rail intends to expand this service in the near future.

Shannon Rail Link (proposal not included in Transport 21)

A number of local and regional bodies have concluded that road based access to Shannon Airport should be supplemented by a rail link – giving an alternative to the use of private cars, providing more sustainable access as the airport grows and helping to widen the catchment area of the airport to maintain its attractiveness to inbound tourists.

A number of studies were commissioned by various parties to investigate the feasibility of a rail link to the airport, with particular emphasis on protecting an appropriate alignment through Shannon Town as further development takes place.

A Steering Group representing local authorities and local development interests was established to consider the proposal for a rail link to Shannon Airport. Iarnród Éireann presented a first draft final report to the Steering Group (a group representative of local authorities and local development interests) in February 2007. The draft report suggested that the project would have a low economic return due to the need for a high quality and frequency service necessary to ensure an attractive service, and the small benefits to users in timesavings etc due to the relatively good road based services (including car parking) serving the airport.

The Steering Group asked for some additional issues to be addressed in the report. These included (a) 50,000 increase in population for the Shannon region over and above previous forecasts (b) importance of advance infrastructure provision to support the gateway of Limerick/Shannon (c) Galway line improvements being carried out under the Western Rail Corridor project.

A revised final report has been considered by the Steering Group. In summary, the report concludes that the economic case is poor and that road based public transport offers the best short- term solution for public transport access to the airport.