

Falmouth's Marine Industry Helps the Local Economy to Stay Afloat

With an authentic working port and a personality shaped by the sea, unlike many other towns across the country, Falmouth on Cornwall's south coast has kept its economy buoyant in these turbulent times largely thanks to a thriving marine industry which has been effectively capitalised upon by the Falmouth Business Improvement District (BID). Laura Kotula reports.

Falmouth's famous harbour is the largest in Cornwall and the third deepest natural harbour in the world. The last major investment in building new wharves and quaysides and extending the size of the largest dry dock was in the 1950s. Since then the dockyard's owners have invested significantly in maintaining the facilities to a high quality and in installing new equipment to keep pace with ever changing technologies.

The marine industry has majorly diversified over the years to include oil bunkering and cargo servicing, along with the building of world-class superyachts which employs around a third of the Dock's workforce. Specialist ship repair is now the single largest activity in the Falmouth Docks with a turnover of £45 million. This activity employs an average of 450 employees with a payroll of £14 million and a supply chain benefiting from £18 million worth of orders for supplies and services, a significant portion of which goes back into the local economy.

Harbour Benefits

The benefits of this lucrative industry are plain to see. Based on a recent survey, the total amount of gross value added to the UK economy (GVA) from the Docks equals to £75 million. The GVA per job at the Falmouth Docks is £53,570, considerably higher than the South West average of £44,350 per FTE job. Based on the GVA per job at the Docks, the net total GVA was £82 million in 2009. This economic value encourages inward investment and allows a diverse mix of creative and artisan businesses, all infused with the spirit of the sea, to thrive in Falmouth.

BID Manager, Richard Wilcox said: "The Business Improvement District recognises

how key the marine industry is to Falmouth and what a valuable contribution to the local economy it represents. The range of specialist sea-based businesses in Falmouth provide approximately 50 per cent of the local marine related economic income valued at £250 million per annum and this key industry provides some 5,000 local jobs.

"We have worked with the Docks and other local businesses to ensure that this opportunity is capitalised upon and we are developing strategies to ensure that this income is distributed so that the whole town feels the benefit. It is our job as the BID to ensure that this proposition is effectively communicated to drive not just visitors, but also business investment to the town. Our strategic marketing initiatives and new 'Falmouth: Spirit of the sea' brand is making a positive impact and drawing new revenue streams to the town."

Increasing the Cruise Industry

One key example of how the BID has capitalised on the revenue that the marine industry brings is the way that it has cultivated the lucrative cruise ship market that chooses Falmouth as a destination stop-off on a regular basis from Dover, Cork or Hamburg en route to destinations in Europe and further afield. Various studies estimate that the global average day-spend of a cruise liner passenger is £80 per person, far above that of a normal visitor.

Port Operations Director, Mike Reynolds said: "This year we are expecting a record number of 38 cruise liners bringing around 23,000 passengers to the town. This has grown since previous years, when we had between 32 and 35 ships carrying

around 20,000 passengers. Whilst four extra ships might not sound like much, they bring on average around 3,000 extra passengers into port, totalling an estimated £240,000 worth of spend into the local economy.

"We are lucky to have been able to make certain modifications to the Docks to accommodate larger liners. Perceptions of the cruise liner industry have been damaged recently; however Falmouth is bucking the trend by drawing more and more of these liners to its ports. It is imperative that we look after these visitors as they benefit the local economy greatly. The port appreciates the help that we get from the BID, whose shuttle buses and Falmouth maps ensure that these passengers are visiting the entire high street providing valuable footfall for local retailers."

The outlook is favourable for the industry with a steady stream of new talent joining the ranks and a push to help steer young people living in coastal regions towards future marine careers. Through the Cornwall Apprenticeship Agency, together with a £630,000 grant from the UK Commission for Employment and Skills, more than 30 young people have already started marine-related apprenticeships in Cornwall in recent years, with a growing number of businesses looking to enhance their workforce through the scheme. The average salary for someone working in the industry in Falmouth is a healthy £24,000 pa, higher than the average full-time rate of pay for most employees in Cornwall, so the docks represent a lucrative career option for many young people.