

A City Region on the Move

Strengthening Dublin's Access to
Markets and Opportunities



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A Dublin Chamber of Commerce Policy Report

June 2012

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Cover image: The city lights of Prince George, British Columbia, motion-blurred by waving the camera during the exposure.

Executive Summary

The Dublin City Region's future economic prosperity is dependent on it being open and internationally focused, with reliable access to global markets. Recent reports comparing European cities in terms of their transport networks and infrastructure rank Dublin poorly. This paper analyses the Dublin City Region's international and national transport connectivity to see if the rankings give a true reflection of Dublin's mobility.

Dublin Chamber believes that investment must continue into maintaining and upgrading Dublin's public transport network and our key commercial international gateways - Dublin Airport and Dublin Port. However, Dublin is in a good position to build upon previous years of investment that have seen the airport expanded to include a second terminal with US border pre-clearance facilities, Port facilities significantly upgraded, the emergence of a radically changed road network, improved bus and rail services and infrastructure, and the roll out of Real Time Passenger Information and Integrated Ticketing. This past investment has led to significant capacity for growth.

Investment in the future:

- **Dublin Airport** – Investment must be focused on strengthening connectivity with emerging long distance markets, and be future-proofed and compatible with pan-European networks of air-traffic control systems.
- **Dublin Port** – Investment must be focused on securing new deepwater berths to facilitate larger ships, further developing container rail freight services within the Port, and improving landside facilities.
- **Dublin City Region's transport network** – Investment must be maintained for upgrading the existing stock to improve frequency and reliability, focusing on integrating the network, and embedding technology within the system to improve the user experience.

Overall, Dublin Chamber of Commerce believes that international reports do not give a true and full picture of Dublin's transport network. Therefore, there is a job to be undertaken to address the negative perception of transport and mobility in Dublin by the IDA, Irish Embassies & Consulates and Government Ministers, as well as all Dublin TDs and opposition spokespersons.

1. The Case for the Dublin City Region

As a small open economy, Ireland's future economic prosperity is dependent on its ability to access global markets. With a global shift in economic activity to urban areas, cities have become the lightning rods of investment, the centres of innovation and employment, and the engines of national economies. The Dublin City Region is now part of a highly connected global economy, where transactions are being carried across international borders to all corners of the globe. To thrive, Dublin needs to continue to be open and international. This argument is expanded in the Dublin Chamber of Commerce 2011 report - 'The world is not flat: The case for city regions'.

'The world is not flat' identified transport - along with talent and telecommunications - as areas that required future investigation, as the Dublin City Region was perceived to be faring poorly in this area in relation to our European counterparts. This paper looks more closely at Dublin City Region's transport network, in terms of its international and national connectivity.

2. Importance of Transport

"Transport infrastructure investments have a positive impact on economic growth, create wealth and jobs, and enhance trade, geographical accessibility and the mobility of people"

- European Commission, 2011¹

Transport has a strategic economic, social and environmental importance, impacting on the development and the welfare of populations. Efficient transport systems provide economic and social benefits that result in positive multipliers effects such as better accessibility to markets, employment and investment opportunities.² As a small open island economy, whose economic recovery is heavily based on export led growth, the ease of movement of people, finished goods and raw materials through our international gateways, is a vital element of the Dublin City Region's future competitiveness.

Furthermore, as talent becomes increasingly important in driving economic growth in city regions, it is essential that the Dublin City Region can face intense competition to attract and retain highly educated mobile individuals. Transport services are being used by competitor cities as a differentiator to attract and retain the talent necessary to drive growth. Therefore, Dublin's transport services (airport, port, local public transport and road network) must be of a level that will positively influence people's perceptions of the attractiveness and liveability of Dublin.³

Research undertaken by the IBM Institute for Business Value highlights that cities improve their mobility by embracing intelligent integrated transport systems which engage customers and share information with stakeholders. So Dublin must seek to “adopt customer-centered approaches to improve services, understand customers and influence customer behavior patterns so that consumers can enjoy faster and better services, cleaner air, greater alignment and collaboration among transport stakeholders, and pride in knowing that their cities are becoming more economically competitive than before.”⁴

3. The Dublin City Region’s Transport Network

A report by Cushman and Wakefield in 2011 on Europe’s leading business cities identifies ‘transport links with other cities and internationally’ one of the key factors that influence a company’s decision on where to locate their business. When compared with 35 other European cities, Dublin ranked poorly in 25th place. Add to this Dublin’s poor 26th place ranking in terms of ‘ease of travelling within the city’, and it is clear that Dublin has a perceived mobility challenge.⁵

Dublin also performed poorly in the Siemens ‘European Green City Index for 2011’, ranking 21st out of 30 European cities evaluated on their environmental performance and commitment to reducing their environmental impact. Of most concern is Dublin’s last place ranking in the transport category: “The city’s worst individual performance. Both the length of its public transport network and its cycle lanes are well below the 30-city average. Accordingly, less than one-in-five people take public transport to work, about half the average of 42%, whereas nearly 61% use private cars.”⁶

There is no doubt that Dublin’s transport jigsaw puzzle remains incomplete. However Dublin Chamber believes that the picture painted of Dublin’s external and internal connectivity may not be as stark as the above findings would show. Dublin is in a good position to build upon previous years of investment that have seen the airport expanded to include a second terminal with US border pre-clearance facilities, Port facilities significantly upgraded, the emergence of a radically changed road network, improved bus and rail services and infrastructure, and the roll out of Real Time Passenger Information and Integrated Ticketing. This past investment has led to significant capacity for growth.

What is needed now is a clear strategy for the medium to longer term outlining how the momentum built up during the years of the Transport 21 programme will continue.

Government and delivery agents must take a considered view, beyond the challenging economic and fiscal environment of today, and continue to plan for and invest in the delivery of transport projects so that, in 2030, the Dublin City Region's international gateways and connectivity to the national network are integrated and supporting the competitiveness of the Irish economy. The European Commission says "action cannot be delayed. Infrastructure takes many years to plan, build and equip – and trains, planes and ships last for decades – the choices we make today will determine transport in 2050."⁷

This will require the Department of Transport to take a leadership role in rolling out a transport strategy that delivers a single, coordinated approach across all Government departments and the agencies involved in upgrading and maintaining the Dublin City Region's transport infrastructure - the National Transport Authority, the Dublin Port Company, the Dublin Airport Authority, the Irish Aviation Authority, the Commission for Aviation Regulation, Dublin Bus, Bus Éireann, Irish Rail, the Railway Procurement Agency, and the National Roads Authority. It also necessitates the placing of the Dublin City Region's transport infrastructure needs at the very core of all national planning policy and ensuring that they are properly and adequately addressed in the regional and local planning policies in the Greater Dublin Area.

4. International access

"Connections created between cities and markets represent an important infrastructure asset that generates benefits through enabling foreign direct investment, business clusters, specialization and other spill-over impacts on an economy's productive capacity"

- Oxford Economics ⁸

Improvements in Dublin's connectivity through our key commercial international gateways - Dublin Airport and Dublin Port - has enhanced national productivity by facilitating the freer movement of investment capital, produce, workers and tourists. Almost half (46%) of Ireland's exports in 2010 went through Dublin Port.⁹ Furthermore, it is estimated that a 10% improvement in air connectivity (relative to GDP) would see a 1% increase in long-run GDP for the Irish economy.¹⁰ It is clear that the upgrade and development of these facilities must continue, as they offer reliable access to international markets.

4.1 Dublin Airport

The importance of aviation in terms of social and economic growth cannot be underestimated. People's need and desire to fly continues to increase as emerging economies develop, the workplace becomes progressively more global, and friends & family are increasingly spread across the world. The air travel industry has demonstrated strong resilience despite external shocks. Revenue Passenger Kilometres (RPKs) increased between 2000 and 2011 by 45%, a period that included the 9/11 attacks and after affects, the SARS (Severe Acute Respiratory Syndrome) outbreak, and the recent financial crisis.¹¹

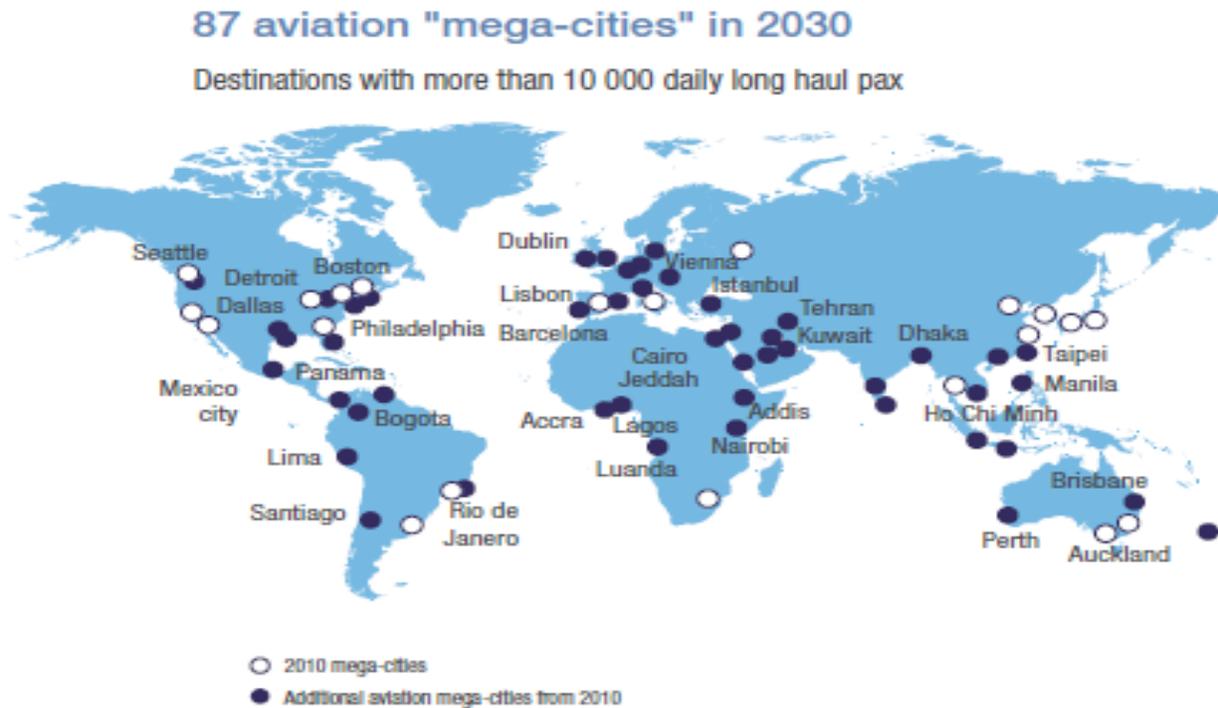
Ireland's reliance on airports was clearly demonstrated in 2010 when volcanic ash closed Irish air space temporarily. Having reliable, convenient and affordable air transport is not only fundamental to the Irish tourism sector, but as an open economy with substantial inward foreign direct investment, it is also the means by which business travellers can access their international headquarters and customers/suppliers with relative ease, and it is critical for businesses' globalized supply chains and just-in-time manufacturing processes.

It is estimated that the aviation sector contributes €4.1 billion to Irish GDP, and supports 54,000 jobs in Ireland (2.8% of the workforce).¹² More than 104,000 scheduled international flights depart Ireland annually destined for 148 airports in 35 countries, and 12,500 domestic flights, resulting in 26 million passengers and 107,000 tonnes of freight travelling to, from and within Ireland.¹³

The upgrading of existing facilities and the opening of Terminal 2 (T2) has significantly helped to underpin the Dublin City Region's competitiveness. These are important State assets that will offer good returns and value in the medium term as traffic volumes return. Furthermore with US border pre-clearance facilities in T2, Dublin Airport can now operate as a 'hop airport' offering pre-emigration clearance to all flights, from Mainland Europe and further afield, that choose to refuel on the way to the US. This expansion allows airlines to reduce costs and be more flexible when it comes to routes, as no additional US emigration costs will be required at smaller regional airports.¹⁴

However, this recent investment must not mark the end of investment into Dublin Airport. Instead, connectivity with emerging markets further afield must be paramount in all future investment decisions as they continue to play an increasingly significant role in the global marketplace. The BRIC and other developing economies accounted for 85% of the world population in 2010 and it is expected that they will account for 60% of the world economic growth from 2010 to 2030.¹⁵

Longer term developments at Dublin Airport, such as a second runway capable of serving long distance markets, must be monitored in terms of necessity and be ready for delivery when demand arises. There needs to be continued investment in Dublin Airport, if Airbus' prediction that Dublin will become one of eighty-seven aviation mega-cities by 2030 is to be realised.¹⁶



Source: AIRBUS 2011 report, 'Pocket Guide: Delivering the future. Global Market Forecast 2011-2030'.

A critical element in ensuring Ireland can continue to increase its connectivity is airport charges. It is vital that all charges placed on service providers and tourists facilitate the setting of competitive pricing for those travelling into and out of the airport. At all times the combined level of airport charges at Dublin Airport should seek to be competitive when compared with those of competitor airports in Europe.

Furthermore, it is imperative that any proposed infrastructure developments at Dublin Airport are future-proofed and compatible with aviation trends at European level such as the EU's emerging Single European Sky (SES) regulations. With SES replacing the concept of national airspace with functional airspace blocks across Europe, it is important that infrastructure at Dublin Airport is compatible with this move toward pan-European networks of air-traffic control systems.

A West Coast Link

For its part, Dublin Chamber of Commerce will continue to engage extensively with the airline industry regarding the possibility of re-establishing a direct flight between the West Coast of the US and Dublin. The Dublin City Region has a very well established economic relationship with the West Coast, and is home to bases for Intel, Cisco, Google, Yahoo, PayPal, eBay, LinkedIn, Facebook and Oracle. The route is a critical piece of infrastructure needed to secure Dublin's continued attractiveness as a competitive investment location.

4.2 Port Facilities

A World Bank study showed that, for an exporting country, having inefficient ports can be the equivalent of being 60% farther away from its target markets.¹⁷ Fortunately, Dublin Port, which is hugely efficient and cost effective in its operation, is part of the defining character of the city and is intrinsically intertwined with the Dublin City Region economy and transport network. It offers importers, exporters and tourists a secure gateway, even during adverse weather conditions.

The development of the city over the last 300 years has been closely aligned to the growth and expansion of mercantile trade, with vessels handling cargo right into the heart of the city. And this reliance on sea access for the Dublin City Region continues. Over 4,000 people are employed in the Port estate, and over 50% of all goods arriving in Dublin Port remain within the M50 area and 75% within 80km of the Port. Overall, Dublin Port is accountable for 44% of Ireland's sea based imports and 46% of Ireland's exports in 2010,¹⁸ and this continued in 2011 with exports increasing by a further 2.8%.¹⁹ There are also 1.7 million ferry passengers who move through the Port each year, placing it behind only Dublin Airport and Cork Airport as a national tourism gateway.

Dublin Port Company protects this vital international gateway through ongoing investment - with some €250 million spent on improving the facilities within the Port over the last ten years. Combined with this investment was the opening of Dublin Port Tunnel, the upgrade of the M50, the expansion of the radial road network and the construction of the Luas line at the Point Depot beside Dublin Port. This has resulted in Dublin Port being well connected to the national road and rail network, and more accessible to the heart of Dublin city.

The future looks bright, with the recently published 'Masterplan 2011-2040' providing stakeholders with a clear view as to how the Port will continue to develop in harmony with both its natural and built environments, closely linking it with the city and people of Dublin. Development will occur through a series of 'bite-sized' project investments, when there is a reasonable level of certainty about future demand.²⁰

It is anticipated that demand will continue to increase, with a positive trajectory of growth over the period to 2040 of 2.5% per annum. The Masterplan outlines how the Port could handle 60 million tonnes by 2040, including plans to secure new deepwater berths to facilitate larger ships, protecting land that may be required for Port purposes and the Eastern Bypass, further developing new cruise facilities closer to the city, improving landside facilities, and continuing to support the development of container rail freight services in the Port.

Dun Laoghaire Harbour

In addition, the Dun Laoghaire Harbour Masterplan proposes the construction of new berth facilities for cruise ships and aims to position the harbor as a marine, leisure and tourist destination of international caliber.

	2010 '000 gross tonnes ¹	2040 '000 gross tonnes	AAGR
Ro-Ro	16,403	41,920	3.2%
Lo-Lo	6,317	10,480	1.7%
Bulk Liquid	4,009	4,000	0.0%
Bulk Solid	2,054	3,500	1.8%
Break Bulk	96	100	0.1%
Total tonnes	28,879	60,000	2.5%

	2010	2040
Ro-Ro ('000 units)	701	1,791
Lo-Lo ('000 units)	377	625
Totals	1,078	2,416

	2010	2040
Lo-Lo ('000 TEU)	641	1,063

Source: Dublin Port Company, 'Draft Masterplan 2011-2040'

5. Protecting and activating the Transport Network

"Public transport is the preferred choice in urban mobility policy decisions in order to guarantee quality of life and the sustainable development of cities and regions worldwide"

- International Association of Public Transport ²¹

Simultaneous to strengthening the Dublin City Region's international gateways, transport policy must also focus on better integrating international gateways with the domestic transport network to secure the Dublin City Region's future competitiveness.

A cornerstone to ensuring a good quality of life and sustainable development is the delivery of a well functioning and integrated transport system that excludes no individual on the basis of availability, affordability and awareness of services.²² It is imperative that the Dublin City Region's mobility challenges continued to be tackled through the greater provision and integration of the regional and national transport network.

This will require that all transport investment programmes take a three-pronged approach:

1. Put the connectivity of the Dublin City Region transport network at the core of national, regional and local planning policy;
2. Protect the significant improvements made to the city region's transport network over the past decade so that it is well-maintained and continuously upgraded to improve frequency and reliability; and
3. Continue to plan for the delivery of new transport infrastructure projects. Connectivity with existing infrastructure, moving the greatest volume of people onto public transport, driving greater efficiencies and eliminating duplication must be the key considerations in any investment decision.

Dublin Chamber recognises the current challenging economic and fiscal environment and accepts that in the short-term the ability of the Exchequer to invest in capital transport projects is constrained. Nonetheless the long run benefits of, and rationale underlying, projects such as Metro North, DART Underground, Luas Broombridge and the Eastern Bypass remain.

In the intervening period, innovative solutions must be promoted and supported to make smarter use of the infrastructure already in place by central and local Government, the transport networks and the private sector.

Technology must continue to be embedded in the transportation system as the proliferation of mobile and smart devices continues apace, changing customer engagement with, and experience of, the transport network. Dublin City Region's transport providers must continue to roll out 'smart measures' such as Real Time Passenger Information and Integrated Ticketing right across the network. Future plans to roll out WiFi across the public transport system must be fully supported by the Department of Transport.²³

In conclusion, to copper fasten recovery and growth, Dublin needs all stakeholders to take up their responsibilities to organise the transport market and provide the appropriate means:

- **Operators** will need to boost business development through improved quality, innovation and entrepreneurship;
- **Government** will need to recognise the importance of public transport as part of the solution, and earmark appropriate resources;
- **Local authorities** will need to effectively coordinate and integrate public transport policy with other urban policies (e.g. land use etc.);
- **Investors** will need to support mobility as a major economic driver; and
- **Industry** will need to develop innovative, reliable and cost efficient products and solutions.²⁴

6. Chamber position on the Dublin City Region Transport Network

Dublin Chamber of Commerce believes that there is scope for optimism when reviewing the transport network and infrastructure of the Dublin City Region over the past decade. The region's connectivity to both the domestic network and international markets has been significantly upgraded. At Dublin Airport, Terminal 2 has opened; at Dublin Port, there have been ongoing facility improvements; the Port Tunnel opened; two Luas lines are operational; rail fleet and infrastructure have been upgraded, including the opening of new stations; bus stock and services have been hugely improved; the M50 has been upgraded and the national road network completely overhauled; and, Real Time Passenger Information and Integrated Ticketing are being rolled out.

Tremendous progress has been realised over the past decade. Consequently, we believe that international reports do not give a true and full picture of Dublin's transport network. However, this does not mean government or agencies can become complacent. Doing so would quickly eradicate gains to the Dublin City Region's connectivity, which improves the region's competitiveness and attractiveness.

We believe a clear transport strategy for the medium to longer term must be adopted, outlining how the momentum, built up during the years of the Transport 21 programme, will continue. This strategy must also outline a comprehensive maintenance plan that protects the advances made-to-date. Furthermore, given the Dublin City Region's role as the engine of national growth, it is essential that this strategy is at the very core of all national planning policies. It must also be ensured that the strategy is properly addressed in the regional and local planning policies of the Greater Dublin Area.

In addition, Dublin Chamber believes that there is a need to undertake a communications campaign that effectively communicates to investors and transport users abroad and at home, the positive progress that has been made-to-date to upgrade the Dublin City Region's transport network and connectivity to international markets. This message needs to be communicated by Irish Embassies & Consulates, the IDA, and all Government Ministers as well as all Dublin TDs and opposition spokespersons. Given the important role quality of transport plays in investment and location decisions for businesses and skilled knowledge workers, it is vital that the current negative perception of transport and mobility in Dublin is addressed.

End Notes:

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- 11 AIRBUS 2011 report, 'Pocket Guide: Delivering the future. Global Market Forecast 2011-2030'.
- 12 Oxford Economics 2011 report, 'Economic Benefits from Air Transport in Ireland'
- 13 ibid
- 14 <http://www.dublinairport2.com/usemigration.php>
- 15 AIRBUS 2011 report, 'Pocket Guide: Delivering the future. Global Market Forecast 2011-2030'.
- 16 ibid. Today more than 90% of the world's long-haul traffic starts, terminates or goes, through one of thirty-nine aviation mega-cities.
- 17 Improving port services and infrastructure IFC Advisory Services in Public-Private Partnerships [http://www.ifc.org/ifcext/psa.nsf/AttachmentsByTitle/SectorBrief_Ports/\\$FILE/SectorSheets_Ports.pdf](http://www.ifc.org/ifcext/psa.nsf/AttachmentsByTitle/SectorBrief_Ports/$FILE/SectorSheets_Ports.pdf)
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- 19 <http://www.dublinport.ie/news/singlenews/article/dublin-port-company-trade-statistics-2011/>
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- 22 ibid
- 23 Irish Rail, 'Rail Vision 2030: The future of rail transport in Ireland', <http://www.irishrail.ie>
- 24 Ibid