



## National Planning Framework consultation

Submission to

Department of Housing, Planning, Community & Local Government

by Shannon Group plc

29 March 2017

*Submitted on behalf of Shannon Group plc by*

*Patrick Edmond  
Strategy Director  
Shannon Group plc  
Shannon Airport  
Co. Clare*

*patrick.edmond@shannongroup.ie  
061 712228*

---

# *What sort of place should Ireland be in 2040 and what do we need to do to achieve this?*

## 1 Preface

Shannon Group plc strongly supports the National Planning Framework initiative and welcomes this opportunity to provide input.

Shannon Group is a commercial semi-state company which owns and operates Shannon Airport, Ireland's second long-haul airport and the principal gateway to the Wild Atlantic Way; an extensive commercial real estate portfolio including Shannon Free Zone; and some of Ireland's leading heritage tourism attractions including Bunratty Castle and King John's Castle.

Shannon Group is firmly rooted in the Midwest and we see our success and that of the region as being closely linked. More broadly, though, we see both our success and the region's success as being heavily dependent on Ireland's ability to move away from a Dublin-centric development default, which is already impairing Dublin's liveability and competitiveness while failing to maximise the aggregate benefits of development for the country as a whole.

Shannon Group has recently commissioned an independent Economic Impact Assessment to quantify the regional economic benefits which accrue from Shannon Airport passengers, Shannon Commercial Properties tenants and Shannon Heritage visitors. The final results are due shortly, but the provisional conclusion is that in 2016 the total economic impact of Shannon Group was €3.2 billion, and the catalytic impact of the Group's activity supported 45,200 jobs.



In this submission we set out our views on the potential for a broad region stretching from Galway through Limerick to Cork and beyond to form a nexus of future development and a complement to Dublin and to Dublin's continued development.

This present submission focuses on Shannon Group, our assets and our ability to jump-start the implementation of the NPF. We have also participated extensively in the joint submission made by the Midwest stakeholder group led by the Midwest local authorities, and reiterate our support for and commitment to the proposals contained in that document. In particular, infrastructure projects such as a Limerick-Cork motorway (whether M20 or alternative alignment) and the Limerick Northern Distributor Road are of vital importance for the development of the Midwest and the wider regions in the coming years.

We do not advocate "balanced regional development", nor a "one for everyone in the audience" approach, two shorthand criticisms often adduced by defenders of the status quo. We do not make the case for a focus on development outside Dublin because "we want some too" but because the evidence already shows that Dublin's current growth trajectory is responsible not only for overheating and congestion but also for a range of negative externalities across the rest of the country. We are

---

passionate about the potential for the broader western/southern region to significantly enhance Ireland's overall economic development and quality of life, and in this submission we set out the reasons for this passion along with some specific suggestions for a way forward.

Shannon Airport serves a catchment area which is centred on the Midwest, but which extends northwards to Galway and beyond and southwards to Cork and Kerry, and the completion of the M17/M18 Gort-Tuam motorway will bring Galway City within 45 minutes of Shannon. Shannon is the principal long-haul airport for this broader region and thus a vital economic driver for FDI, indigenous industry, and inbound tourism.

•

Our starting point is that the success of this broader regional economy is essential for the national economy to develop to its full potential. The Shannon Group, in turn, is one of the key drivers of this regional economy, and especially of the Midwest economy. Its development and growth is essential for the wider region to realise its potential.

•

---

## 2 Shannon Airport and Improved Air Connectivity

Shannon is the closest long-haul airport for 40% of the State's population, including the catchments of Galway, Ennis, Limerick and Cork, as well as the principal gateway for the Wild Atlantic Way.

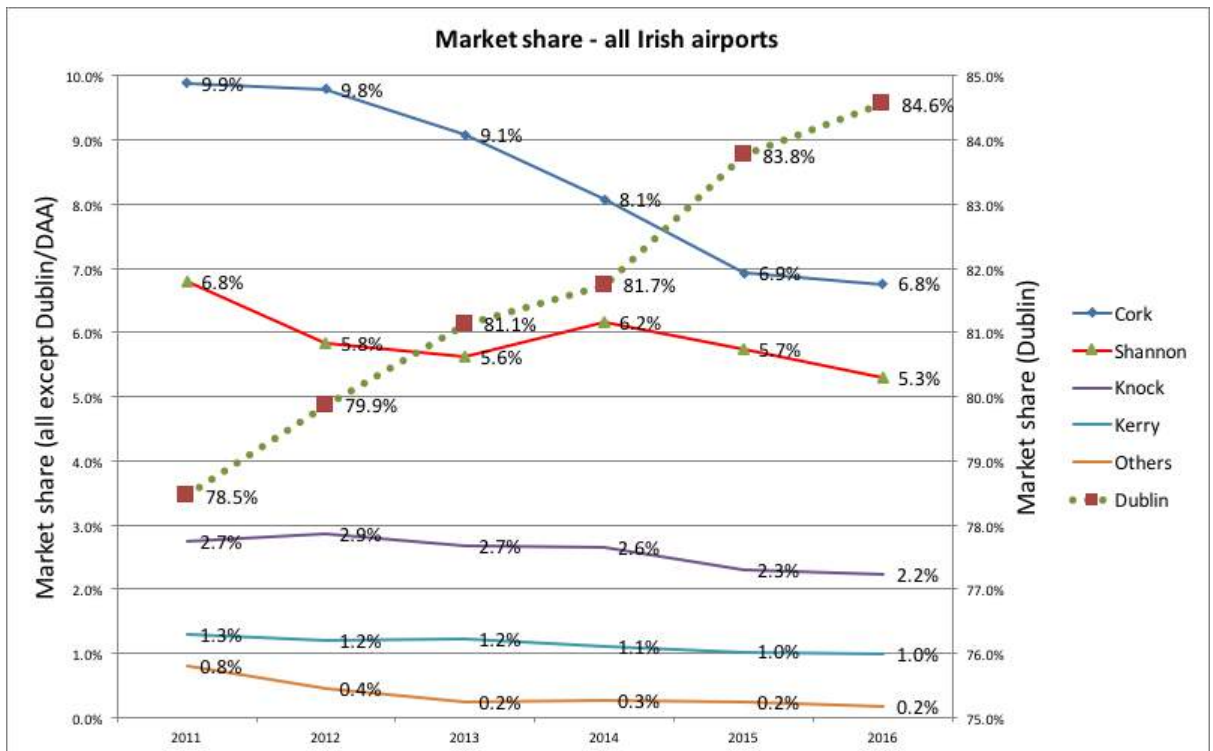
Air travel, and tourism to Ireland, are projected to grow significantly in the next decade. Most visitors to Ireland arrive by air, and air connectivity is fundamental both to the location decisions of multinational firms and to the competitiveness of indigenous exporters. Recent years have seen welcome growth in passenger traffic to Ireland, but virtually all of this growth has been at Dublin Airport.

It is therefore essential over the coming years that future Irish air traffic growth is not restricted to Dublin, but that the regions gain an equitable share of future Irish air traffic growth. Enhanced connectivity, in particular to the major European hubs, is critical to attracting the inward investment that will enable the Midwest economy to grow.

Figure 1 below depicts the share of air passengers to and from the State by airport over the last five years. Because of the dominance of Dublin Airport, it is necessary to use two Y axes (each representing a ten-percentage-point range) to illustrate the evolution in market share: over five years, Dublin Airport's share of passengers to and from the State has risen from 78.5% to 84.6% and in a continuation of the "business as usual" case there is no reason to imagine that this growth will not continue. Indeed, when the third runway in Dublin comes on stream and needs to be paid for, growth may even increase.

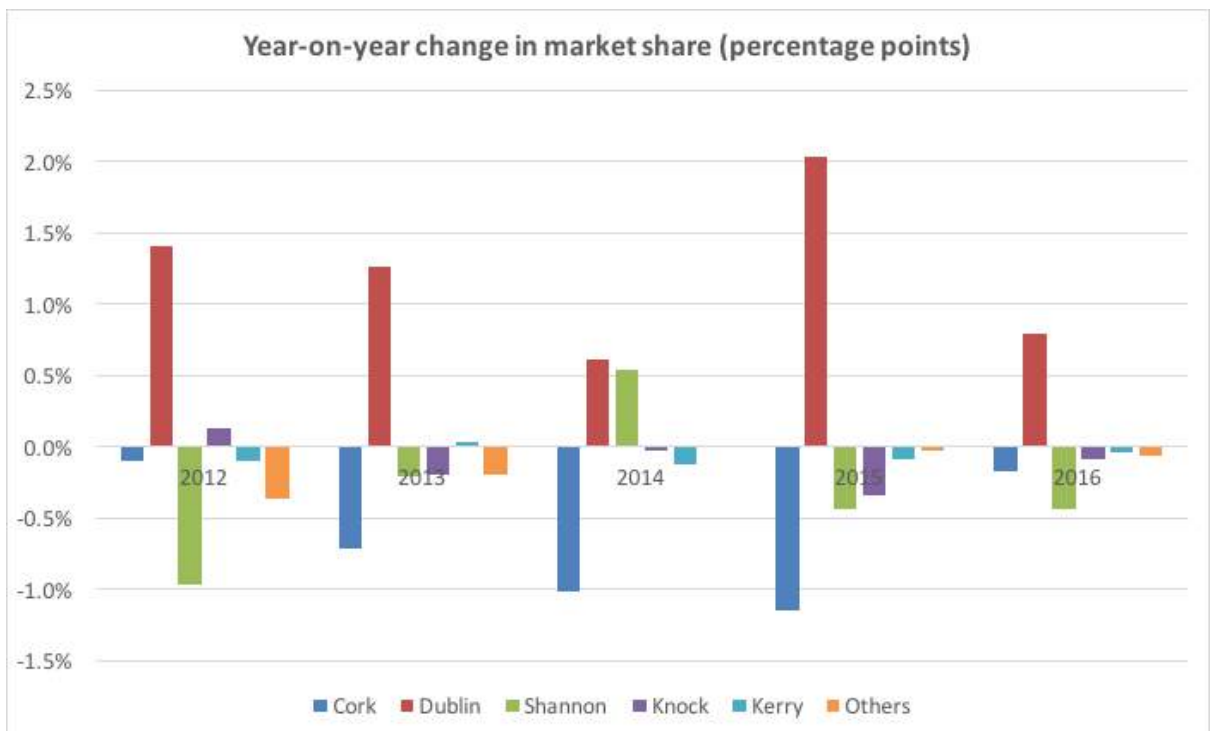
The year-on-year evolution is shown in Figure 2 below.

Figure 1: Irish airport passenger market share, 2012-2016



Source: CSO

Figure 2: Change in year-on-year market share 2012-2016



Source: CSO

---

Since gaining independence in 2013, Shannon Airport has grown its traffic by some 24%, welcoming 1.74 million passengers in 2016. Despite this, Shannon – in common with all other State and regional airports – continues to lose market share, as air traffic growth, and the inbound tourism and FDI which it enables, continues to be centred on Dublin. Dublin Airport has a clear monopolistic position which will require careful regulation in order to ensure that future growth in direct air connectivity outside Dublin does not fall victim to the narrow interests of Dublin Airport’s operator. Continued, unregulated growth in market share of Dublin Airport will not be in the broader national interest, will impair the Midwest region’s ability to win its share of inbound tourism and FDI, and will weaken the region’s indigenous businesses’ ability to compete globally.

Direct air connectivity is a critical requirement for foreign direct investment. The Shannon Group has been made aware of numerous instances in which FDI opportunities have been missed, from Galway to Limerick, where the nearest available connectivity is in Dublin. For the Galway-Limerick-Cork axis to be the driver of economic growth outside Dublin, it is critical that there is enhanced, direct air connectivity from across this region to the key European and North American business markets.

There is therefore a requirement for the National Aviation Policy (NAP) to be aligned with the National Planning Framework, in order that the provision of air connectivity in Ireland supports the development of Second-tier cities rather than – as at present – being entirely focused on growing Dublin.

In common with Dublin and Cork Airports, Shannon is a State airport and thus a national asset. The NPF consultation document poses the very valid question: **how to make best use of existing infrastructure?**

Shannon still has significant capacity for growth: its terminal has a capacity of 4.5 million passengers annually (compared with 1.7 million passengers in 2016), with uncongested US CBP preclearance facilities. Shannon’s runway is the longest in the country and can easily accommodate fully-laden flights direct to Asia and South America. Shannon Airport also has the facilities and capacity to develop cargo traffic, and benefits from its location near Ireland’s key pharma/medtech and ICT industry clusters.

Shannon Airport has the ability to immediately relieve the congestion at Dublin Airport, and handle cargo flights which serve a national market, as well as transit flights, a market segment that Shannon was designed to serve from its earliest days.

We note that Dublin Airport is seeking to develop a third runway, and would simply suggest that it would make sense for the State, as the owner of all three State Airports, to optimise the use of the State Airport network and thus mitigate capacity constraints at Dublin, rather than embarking on a costly capital expenditure programme without first assessing national capacity.

The international connectivity provided by Shannon Airport has been at the heart of the development of the Midwest region for more than seventy years. The Airport continues to be exceptionally active in devising engagement strategies and support mechanisms for airlines, to develop new routes and to maintain the current passenger route network.

The airport has also actively researched air cargo demand and has marketed this potential to cargo airlines resulting in direct air cargo services to/from Shannon. The airport is now working to develop

---

this capability further, with particular reference to global logistics businesses and specific industry verticals such as pharmaceuticals and agri-food.

Shannon Airport is a vital piece of state-owned infrastructure that can act as a catalyst for regional economic development across the whole West and South of Ireland, in line with Government policy, by providing direct access to key inbound leisure and business markets.

## 2.1 Proposals: how air connectivity can further the aims of the NPF

### 2.1.1 Take a holistic view of State airport capacity needs

The Department of Transport is currently retaining consultants to conduct a State airport capacity review as prescribed by the 2015 National Aviation Policy. However, this policy states that a national-level capacity review will be conducted to set a context for evaluation of individual State airport capacity needs. This national-level review has been excluded from the terms of reference for the review, with the result that Dublin Airport's purported expansion needs will be analysed in isolation without reference to available airport capacity outside Dublin. We would suggest that the terms of reference should be revised to ensure alignment with the National Aviation Policy rather than treating Dublin in isolation.

Shannon Airport has existing capacity to cater for substantial growth in passenger traffic: the terminal is designed to accommodate 4.5 million passengers per year (against 1.74 million in 2016) and the airfield infrastructure could also cater for at least this number.

### 2.1.2 Align the National Aviation Policy with the National Planning Framework

More broadly, we believe that the 2015 National Aviation Policy needs to be updated to align it with the National Planning Framework. The NAP all but ignores the potential for direct air connectivity to fuel regional economic development, and its reference to strategic national-level airport capacity assessment is not now reflected in the Dublin-centric terms of reference for the capacity review (referred to above).

Historically Shannon Airport has complemented Dublin Airport, and added to its own network, by offering long-haul passenger destinations through accommodating airline transit stops. Transit traffic is a potential source of growth for the future, capitalising on Ireland's geographical location and Shannon's operational strengths, to deliver additional connectivity for the region, complementing the Aer Lingus hub in Dublin. Recognition of the potential for Shannon to develop a network which complements rather than competes with Dublin for the greater benefit of the Midwest, of the Galway-Limerick-Cork axis, and the country as a whole, should be an objective of the National Planning Framework and of Government transport policies such as the National Aviation Policy.

As noted above, Shannon already attracts passengers from a catchment outside its immediate region. Recent decades have seen the widespread development of short-haul route networks at Europe's secondary airports, driven largely but not exclusively by low-cost carriers such as Ryanair. These secondary airports have successfully widened consumer choice, challenged the dominance of national

---

primary airports, and driven regional development (and thus national economic development). The development of modern aircraft means that point-to-point long-haul connectivity will be commercially viable, as demonstrated by the growth of carriers such as Norwegian Air Shuttle. With appropriate policy support, Shannon has the ability to fulfil this role as a driver of regional and national prosperity.

### 2.1.3 Make existing data more widely available to allow for better planning

As noted above, Dublin Airport has a dominant market position as an air gateway to Ireland. Its market power allows it to suck travellers from the catchment areas of other Irish airports and impairs the ability of other Irish airports to share equitably in Irish air traffic growth. Just like Shannon and Cork Airports, Dublin Airport collects regular survey data on the counties of origin/destination of its passengers. Shannon Airport is prepared to make its ongoing survey data publicly available alongside similar data from Dublin and Cork Airports, to assist all stakeholders across the fields of regional planning and tourism development, and we suggest that the NPF might usefully not only draw upon this data but also mandate its wider publication.

### 2.1.4 Consider Brexit implications for regional development

A hard Brexit will have a major adverse impact on Irish connectivity to the rest of the EU. Transit of passengers and cargo through the UK is likely to become more difficult, and therefore direct connections to continental Europe will increase in importance. Direct regional access to the EU is overwhelmingly by air, and therefore the importance of air as a transport mode will increase for Ireland after Brexit, especially in a context where the NPF seeks to nurture and accelerate regional economic development. The major Irish airports outside Dublin, particularly State Airports, therefore assume a greater importance as enablers of the rapid delivery of the NPF's goals.

Given the importance of regional air connectivity for economic development, and the isolating effect of Brexit, the State Airports should be integrated as effectively as possible into EU transport strategy. Concretely, the EU's principal transport strategy framework is the so-called TEN-T network. We recommend that the set of Irish airports included in the TEN-T Core network is immediately expanded to include Shannon Airport, to reflect the importance of air connectivity for the region's continuing development and integration with the rest of the EU, and to open the way for future EU-level support for regional development.

### 2.1.5 Identify mechanisms to speed up regional economic development

The NPF consultation document, along with recent speeches by the Minister, outline a scenario which would see the majority of population growth over the next 20 years taking place outside Dublin, and specifically in an arc from Galway to Waterford.

The overarching challenge for such a policy lies in implementation: how can growth be steered to these regions, and how can this geographical shift be accelerated in order to root the new policy more firmly?



---

Clearly, the development of regional planning frameworks will play a major role, as will the execution of key enabling infrastructural projects. However, the key driver of regional population growth will be economic growth and employment. The more jobs which are created in a region, the more demand for housing, the more population growth, and the quicker the region can attain a critical mass which in turn justifies and attracts further investment. We therefore see the facilitation of regional economic development and employment creation as being central to the successful implementation of the NPF.

We believe that air connectivity has a major role to play in fostering this economic growth.

In a survey carried out as part of the European Commission consultation process which preceded the publication of the Aviation Strategy for Europe in 2015, 97% of the respondents acknowledged that air connectivity is somewhat relevant or completely relevant for overall economic development.<sup>1</sup>

Several research studies (notably reports from ACI-Europe, the European airports trade association) have demonstrated a high level of correlation between air connectivity and economic growth.

The EC working paper cited above states:

*The better a city, a country or a region is connected by air to other destinations and parts of the world, the more growth can be created and vice versa: the richer, more developed or more generally, the more attractive the country, city or region, the better connected they are. In 2015, ACI-Europe found that taking into account catalytic, induced, indirect and direct economic impacts of airports, a 10% increase in air connectivity is associated with an increase in GDP per capita of 0.5%. Additional analysis found that this relationship is two-way: as an economy grows, it supports a larger air transport sector, but it is also the case that growth in air transport supports economic growth.<sup>2</sup>*

The direction of the causality is of particular interest to us: does economic growth cause an increase in air connectivity, or does increased air connectivity lead to economic growth? Specific research addressing this question<sup>3</sup> suggests that across both “core” regions and more peripheral regions, economic growth leads to more air services, but critically, in non-core regions, the reverse causality also applies: the provision of air services leads to regional economic growth. The authors of this paper state:

*Thus, as expected, air transportation plays a crucial role especially in remote regions by giving a boost to regional development.*

What does this mean? In our view, targeted support for specific regional air services represents a fast and cost-effective way to jump-start regional economic development. Support has to be targeted: there is no economic benefit in facilitating outbound leisure routes, for example. The key connectivity enabler for inward investment (and for the development of indigenous export industry) is easy air

---

<sup>1</sup> European Commission staff working document accompanying the document “Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of Regions: An Aviation Strategy for Europe”, 2015, CELEX 52015SC0261

<sup>2</sup> InterVISTAS consulting, “Economic Impact of European Airports”, prepared for ACI-Europe, January 2015

<sup>3</sup> Mukkala, K., & Tervo, H. “Regional airports and regional growth in Europe: which way does the causality run?”, RSA European conference, Delft, 2012

---

access to key markets and to corporate head offices; hence the Shannon Airport catchment's concentration of US multinational firms, who can travel directly between Shannon and the United States.

Regional air services in Europe are under increasing pressure from the rise of "low-cost carriers" such as Ryanair. While airlines like Ryanair provide a valuable service, they do not facilitate business connectivity in the same way that conventional regional airlines do with frequent flights, business-friendly timings, and the ability to book a connecting ticket to a final destination.

We believe therefore that the provision of support for specific routes (for example, connecting the relevant airports in the region to one or more EU hub airports which offer a range of onward connections) would be a relatively quick and cost-effective mechanism to materially enhance the region's attractiveness for inward investment, and hence to accelerate employment creation. This support could take the form of PSO contracts or similar structures, which constitute allowable State Aid under European law, and could be contingent on the airports in question co-financing the support. Concretely, we propose that the NPF should evaluate the potential for PSO-type financial support to deliver direct business-oriented connections to one or more identified hub airports (e.g. Paris, Amsterdam, Brussels,...).

**It is important to note that this proposal is not Shannon-specific; within the arc currently identified by the draft NPF consultation document, this approach can equally apply to Cork, and potentially to Waterford. We are seeking to identify how the airports (especially state assets) can most effectively contribute to the regional-development goals of the NPF.**

---

### 3 Commercial real estate as an enabler for the NPF

If connectivity is key to attracting inward investment, so too is the development of commercial property across the Midwest as well as improvements to the tourism infrastructure. The Shannon Group will play a key role in the delivery of this vital infrastructure.

The Shannon Group is not just the operator of Shannon Airport; more broadly, it is one of the principal players in regional – and indeed national – economic development. The Shannon Group is one of the largest commercial landowners and developers of commercial property in Ireland. It has the breadth, demonstrable track record, and capability, to be a key player in the step-change infrastructure development on which the future success of the region will depend. The Group's dedicated real estate division, Shannon Commercial Properties (SCP), has significant holdings across the entire region, ranging from the Shannon Free Zone and other industrial parks, through commercial and residential development land, to strategic sites of national significance such as Ballylongford.

Shannon Commercial Properties owns business parks across the Midwest region as part of its wider property portfolio. These strategic locations collectively total 1.8 million ft<sup>2</sup> of commercial and industrial property, with an occupancy rate of 66% and improving. The company has delivered approximately 200,000 ft<sup>2</sup> in the last 18 months (both new-build and refurbished), and has already committed to deliver 250,000ft<sup>2</sup> of new and refurbished space over the next two years in a range of commercial and industrial construction projects in the Shannon Free Zone and across the region. SCP is working closely with key players from Galway to Limerick to ensure the plans for the development of commercial property are implemented in the most efficient and timely way.

As a commercial semi-state company, able to leverage Shannon's global reputation and access to potential development partners overseas, while also drawing on its existing close relationships with state agencies, the Shannon Group is committed to delivering key components of the planned infrastructure for the region. In this respect the Group will commit its own funds, expertise, and proven delivery record.

Shannon is also home to the International Aviation Services Centre (IASC), Ireland's largest aviation and aerospace industry cluster, with over 50 firms. Aerospace is a vital part of the Midwest's industrial landscape and a significant opportunity for future growth in economic value and job creation. The successful development of this fast-growing global industry requires a supportive environment that enables companies in the cluster to compete in a very cost-competitive market.

Shannon Commercial Properties (formerly Shannon Development) has developed the largest commercial property portfolio outside Dublin, with over 7,000 people employed at the Shannon Free Zone and many more at the business parks across the Midwest. SCP has an ambitious development programme over the next five years and is committed to continuing to provide commercial property solutions to facilitate economic growth in the future.

IASC has proactively marketed the Shannon aerospace industry cluster to overseas firms and, of its own accord and in close cooperation with IDA Ireland and Enterprise Ireland, has attracted a growing number of aviation companies to Shannon.

---

## 3.1 Proposals: how commercial property can further the aims of the NPF

### 3.1.1 Rates alleviation

We note that the Department of Housing, Planning, Communities and Local Government is evaluating the potential of empowering local authorities to introduce rates alleviation, and we would emphatically encourage this.

As we work to attract aircraft maintenance, repair and overhaul (MRO) companies and other commercial tenants, Ireland as a business environment competes against other countries, the majority of which do not levy local taxes or rates at a quantum close to Irish local authority rates. We are aware of at least one European member state which does levy local authority rates but which offers to substantially alleviate these rates for companies such as aircraft MRO firms. Maintenance firms are disproportionately affected by local authority rates, as these are based on a crude measure of floor area, and hangars by their nature are very large buildings which moreover contain a large amount of non-productive space. Local authority rates on a maintenance hangar for a single large aircraft could easily amount to €150,000 per year.

If rates alleviation is limited to the De Minimis thresholds, it will not bring any meaningful benefit in the areas which concern the development of the aviation services cluster in Shannon and which have been fundamental to the Shannon aviation business development plan from the start, namely the construction of hangars and other major infrastructure.

We would suggest that it is worthwhile to consider ways in which the De Minimis threshold could be exceeded in well-justified cases while remaining within EC law.

The construction of an MRO hangar provides a clear example. It is easy to demonstrate a large positive net exchequer benefit arising from the construction of the hangar: the PRSI and PAYE receipts (even if no reduction in the live register is assumed) will very substantially outweigh the foregone local authority rates. The provision of such rates alleviation does not constitute revenue leakage, as the majority of EU member states do not levy local authority rates on hangars at Ireland's punitive levels, so MRO operators are likely to choose to locate outside Ireland if they are faced with this level of rates bill for a putative hangar.

We would also suggest that some creativity could be applied to the nature of the rates alleviation, to address the potential State Aid issue. For example, one of the most problematic issues for MRO operators is the difficulty in retaining apprentices after they are training, since they frequently leave to take jobs abroad or with higher-paying aircraft leasing companies. However, a continued flow of apprentices is essential for the growth and development of the MRO industry. It might be possible, on a pilot basis, for local authorities to provide apprenticeship grants to MRO firms reflecting their contribution to regional training and skills development, in the form of credits against local authority rates. Set at an appropriate level, this would incentivise MRO operators to maintain and expand their apprenticeship schemes.

On the related matter of rateable valuations for hangars, we would urge that the basis for rateable valuation of hangars be re-examined to assess whether an approach based on market rents (rather than floor areas, independent of the actual use of the building) would be less onerous.

---

### 3.1.2 Funding for regional infrastructure

The success of the NPF will depend also on the development of infrastructure in the regions, not only transport infrastructure but also major commercial real estate which can deliver significant regional economic benefits and exchequer gains. As already noted, Shannon Group will deploy its own resources in this development, but this is insufficient in isolation. In order to enable the build-out of the necessary infrastructure across the region, we suggest that the NPF might usefully consider what support measures might be possible, whether co-funding at market rates by ISIF, or bundling of strategic regional-development-enabling infrastructure projects into a collective package which is large enough to attract European Investment Bank funding.

### 3.1.3 Strategic infrastructure

In addition to Shannon Airport and the nearby business parks, Shannon Group owns a 600-acre development site in Ballylongford, Co. Kerry, adjacent to the deep water of the Shannon Estuary and able to accommodate vessels of up to 23m draft and 200,000 tonnes DWT. Planning permission has already been obtained for an LNG import terminal, a 500MW CHP (Combined Heat and Power) plant, and a 26km gas pipeline to connect to the national gas grid and, through interconnectors, to the European gas grid; the site is large enough to accommodate multiple uses, and interest has also been expressed by container port developers and other parties.

Recent research suggests that within 10-20 years, climate change is likely to lead to the melting of the polar ice north of Russia to an extent which will allow safe year-round passage by non-ice-strengthened vessels. This will mean that container ships from China to Europe will be able to save several days by taking this route rather than sailing via the Suez Canal, and it also means that the ideal European ports/transshipment points for such shipping will no longer be in the Mediterranean or Southern Europe but in Northwestern Europe, and the Shannon Estuary will be well positioned, for example as a transshipment point for cargo travelling between China, Europe and the Americas, also making use of Shannon Airport's long runway, infrastructure and historic Free Zone for multimodal cargo shipments.

We would therefore suggest that the Midwest's infrastructural assets, not merely the airport, existing ports, and power stations, but also the potential for new nationally-significant port and energy infrastructure, position it as an evident candidate for significant development under the NPF.

---

## 4 Tourism as an enabler for the NPF

Tourism is a major driver of economic activity and employment across Ireland but especially in rural areas. The Wild Atlantic Way has been a real success in recent years, helping to attract more tourists to the West Coast. The Dublin-centric nature of market access, however, means that an increasing share of overseas tourists arrive in Ireland via Dublin, stay in Dublin (driving high hotel occupancy and high room rates in Dublin) and make relatively short sorties to visit attractions elsewhere in Ireland, for example long day trips by coach to the Cliffs of Moher or to Killarney. This has the effect of artificially concentrating the economic benefits of tourism in Dublin as well as diminishing the quality of the visitor experience and generating additional environmental costs and carbon emissions.

Shannon Group is a major player in regional tourism. The Group incorporates Shannon Heritage, the largest operator of heritage tourism attractions in Ireland, including Bunratty Castle, King John's Castle, Malahide Castle, the GPO Visitor Centre and many other heritage attractions, including a role in the operation of the Cliffs of Moher. Shannon Heritage is well advanced in plans to transform Bunratty into an attraction of national scale and is now actively preparing to further grow its portfolio.

The growth of inbound tourism to the region relies both on accessibility to the region as well as tourist attractions that provide a compelling "reason to visit". The Shannon Group plays a central role in both of these aspects. Shannon Heritage already welcomed 1.8 million tourists in the region to its attractions in 2016, and thus has a unique opportunity to showcase and promote other regional attractions. In particular, Shannon Heritage is committed to further enhancing the overall tourist product in the Midwest, including the development of tourism in Limerick City.

The Shannon Group is a key enabler of tourism and economic activity not only in the Midwest region. Galway and Kerry represent key parts of the Group's core catchment area. Shannon Airport provides the connectivity which is a vital ingredient in Galway's and Kerry's ongoing business and tourism success. Shannon Airport is also the long-haul gateway for the Wild Atlantic Way, bringing benefits all along the west coast. Shannon Airport undertakes regular passenger surveys to better understand its customers' travel patterns. Based on 2015 data, 69% of Shannon's Irish-resident passengers were from counties Clare, Limerick or Tipperary, with a further 13% from Co Galway, 6% from Co Cork and 6% from Co Kerry. In the case of transatlantic flights, 17% of Irish-resident passengers through Shannon were from Cork. Shannon also attracts passengers from Leinster and Ulster, evidence that the airport can win passengers from a wider catchment, whether due to the lack of congestion, ease of access, competitively priced parking and flights or the friendliness of its welcome.

### 4.1 Proposals: how tourism can further the aims of the NPF

#### 4.1.1 Regional tourism targets

The Irish tourism authorities work hard to grow inbound visitor numbers on a national level, and aim for growth targets on a national level, but there are no regional-level targets (either for visitors or for bed-nights). The formulation of regional-level targets (perhaps in the form of bed-nights, taking the number of tourist beds in each region into account), with Tourism Ireland charged with helping to achieve these targets, could contribute to more effective regional development.

---

## 5 Human capital as an enabler for the NPF

Shannon is known worldwide as a major innovator in the development of the aviation industry, for its historical significance and also the global reach of its diaspora.

Aircraft leasing and maintenance professionals across the world began their careers in Shannon and retain goodwill towards it. This is a vital selling point for the continuing development of the aerospace industry in Shannon. The technical skills of aircraft maintenance staff and leasing experts in Shannon are also widely recognised, and the availability of high-quality specialist talent both today and in the future is central to winning new aviation investment.

The demonstrated ability of local training organisations and third-level institutions to develop and put in place courses which are tailored to industry needs is a huge plus for the region. Boeing forecasts an average annual global requirement for some 30,000 pilots and 34,000 maintenance engineers for each of the next 20 years as the aviation industry grows.

Not only can highly skilled Shannon companies benefit from this growing industry, but Shannon's and the region's capability to train new entrants to the industry is a huge development area.

Similarly, the Shannon College of Hotel Management, now affiliated to NUI Galway, enjoys a worldwide reputation as a world-class training institution for hospitality professionals, and represents a further opportunity to capitalise on Shannon's reputation for top-quality industry-specific training and education.

---

## 6 Conclusion

As one of the principal regional stakeholders in the Midwest and across the adjoining regions, the Shannon Group is committed to the Midwest region and to ensuring the region realises its full potential. The Group stands ready to invest in its existing portfolio of assets for the benefit of the region and to working with other stakeholders to deliver key strategic projects. We strongly support the premise of the National Planning Framework and make this submission in a constructive spirit; we will be happy to engage further with the consultation process and look forward to playing a major role, alongside other stakeholders, in turning the final NPF into reality.

From the Shannon Group's perspective, the biggest barrier to growth in the region has been the focus on the development of the infrastructure in Dublin, rather than also focusing on the development of second-tier cities and their hinterlands.

In terms of aviation policy, Dublin Airport's success is beneficial to the whole country but should not be at the expense of the development of enhanced, direct regional air connectivity.

The growth of the Midwest should be seen as being of benefit to the whole country, including those people who live and work in Dublin. By driving the development of the second-tier cities, we can relieve the pressure on the infrastructure in Dublin, make use of available capacity for growth and help to solve Dublin's problems, not compete with Dublin.

High-quality infrastructure is crucial, which requires coherent policy positions and their focused implementation. In order for Shannon Airport to be able to provide the enhanced air connectivity that will be critical to the successful development of the Midwest, we need the National Aviation Policy to be aligned with the National Planning Framework.

To conclude, we reiterate our commitment to the success of the region, our capability to deliver (*beart de réir ár mbriathar*) and our willingness to deploy all our resources and know-how to ensure our region is not only the best place in Ireland to live, work, and invest, but among the very best in the world, and that by contributing to the successful development of the region we are also contributing to the optimum development of the country for the benefit of all its citizens.

