

4. Oral Questions

4.1 Connétable A.S. Crowcroft of St. Helier of the Minister for Economic Development regarding the feasibility of developing a deep water terminal to allow cruise ships to visit Jersey:

Would the Minister advise what investigations, if any, have been made into the feasibility of developing a deep water terminal to allow cruise ships to visit Jersey and whether he supports the development of such facilities?

Senator A.J.H. Maclean (The Minister for Economic Development):

Good morning and a Happy New Year. I am fully supportive of developing our cruise business further and Economic Development, the Ports of Jersey and Jersey Tourism have undertaken a number of studies over the years in that regard.

[10:45]

The most recent one was during 2012 when a local student studying ship and port management at Southampton Solent University produced a very thorough 77-page report after extensive interviews both in Jersey and, indeed, across the cruise industry. The Ports of Jersey are not only members of Cruise Britain but have a seat on the 8-person board where they are well placed to maintain strong relationships with cruise liners and keep abreast of industry developments. We typically host 8 to 12 cruise ships each year and now generally from the high end of the market, that is 4 and 5 star. Last year 24 cruise ships were booked to visit but unfortunately 16 cancelled mainly due to weather, 3 in fact in one day. We have a number of potential locations for a deep water cruise terminal in Jersey. Given the significant capital investment required to realise the deep water berth, recent economic conditions have presented a difficult environment to raise capital to further that option. However, with an improvement in prevailing conditions and hopefully the ideal vehicle of an incorporated Ports of Jersey pursuing a growth agenda, more can be done in the future.

4.1.1 The Connétable of St. Helier

I am grateful to the Minister. St. Helier's twin town of Funchal receives around 300 cruise ship visits a year, 630,000 extra tourists. Would the Minister agree to ask his officers to contact their counterparts in Madeira to pick their brains, as it were, as to the economic benefits of developing this part of our industry?

Senator A.J.H. Maclean:

Fairly extensive work has been done, as I have alluded to, with regard to developing the cruise market for the Island. The fact is that many places other than Madeira also invest heavily; Southampton recently has invested £300 million. For Jersey to develop a cruise, and certainly a deep water cruise berth, it is estimated between £70 and £100 million, so it is the economics more so than the data to justify the development in the future.

4.1.2 Senator S.C. Ferguson:

Would the Minister give the Assembly the cost benefit figures? It is my understanding that visitors visiting the Island, coming ashore from these cruise ships, spend very little money in the places where they stop. Will the Minister give the figures to the Assembly so that we can look at the proper cost benefit of this venture?

Senator A.J.H. Maclean:

Yes, in 2015 it is intended to do a detailed feasibility study on the benefits of a cruise market. I can certainly fire off some figures for the Senator if she would find it useful. Average stay

in port is 12 hours. The average spend is £53 per head. Crews spend on average £21 per head. The types of ships that we typically attract are roundabout 700. I am sure she can work out the maths from there. But a detailed feasibility study is going to be undertaken in 2015 to build a business case to see if justification exists for the type of capital investment that I have alluded to, which would likely be £70 to £100 million.

4.1.3 Deputy G.C.L. Baudains of St. Clement:

Would the Minister agree with me that as this question is about deep water terminals, and the south coast of Jersey is probably too shallow in most areas for cruise ships, has his department looked at the feasibility of the north of the Island where there is deeper water? I am thinking of places like Bouley Bay where it would be a lot easier to create a berth where ships could dock.

Senator A.J.H. Maclean:

A good question from the Deputy. In fact, as part of the work already undertaken, other potential sites have been evaluated, including Bouley Bay and indeed St. Catherine's. I do not want to upset the Connétable of St. Helier, clearly his question is to develop further business for St. Helier and I am sure he would be very keen for that to be the preferred location. I can perhaps reassure him by saying working with the cruise liner industry, who have also been to evaluate some of these potential sites, St. Helier does appear to be the most preferred location. One of the advantages of the cruise liner industry is bringing passengers ashore to take advantage of excursions. Jersey has an excellent range of excursions but to access those the easiest way to do it is from St. Helier, notwithstanding of course the benefits to the retail environment as well.

4.1.4 Deputy R.G. Le Hérissier of St. Saviour:

The Minister threw into the pot the figure of £70 to £100 million and he must know that in the current economic circumstances he could be laughed out of court. What other more pragmatic solutions has he got to get the industry moving?

Senator A.J.H. Maclean:

Very perceptive of the Deputy. That is why of course we have not brought forward a proposal at this stage. There are very many other more pressing areas of capital expenditure. What we have concentrated on doing is trying to develop the market by moving more to the higher end, as I have alluded to. We now have visiting cruise liners in the 4 and 5-star bracket. We have brand names like P.&O., which is something the Island can be proud of and the relationship that we can further develop. The limitations that we suffer from here in Jersey are of course weather. As I have mentioned, quite a number of cancellations last year - about 16 - and also the prevailing issues about getting close in. In other words, in Jersey these large ships are about a 20-minute tender ride to get passengers ashore and the cruise industry, as a whole, does not like that. That is why unfortunately Guernsey currently do better than we do. They get something like, on average, about 60 or 70 cruise visits a year, but the transfer time is only about 5 to 7 minutes.

4.1.5 Connétable P.J. Rondel of St. John:

Given that the Island have 3 recognised ports, Gorey, St. Helier, and one in St. John for bringing in aggregates, the deep water on the north coast is there but will the Minister agree with me that considerably more work needs to be done on looking at the north coast? I know in 2004 work was put in place under the Policy and Resources Committee of the day and Harbours and Airport Committee of the day, and will he look at the work that was done in 2004-5 and report back?

Senator A.J.H. Maclean:

The Connétable was not clear whether he is referring to the cruise industry or he mentioned ... he was, okay. Work has been already undertaken but clearly a lot more needs to be done. I have already mentioned that a feasibility study is going to be undertaken so further evaluation, although from all the work undertaken to date, St. Helier is the preferred option, although I accept the point of the Connétable that Bouley Bay, from a deep water perspective, is the ideal location. The road infrastructure and other matters make it more of a limitation.

The Connétable of St. John:

Correction, if I may. I was not referring to Bouley Bay. It is up further along on the north coast.

4.1.6 Deputy S.G. Luce of St. Martin:

Would the Minister given an undertaking not to spend any more taxpayers' money on a feasibility study at St. Catherine's breakwater?

Senator A.J.H. Maclean:

The Minister did not spend any taxpayers' money. The Ports of Jersey from revenues that it derives spent some money evaluating quite reasonably the options for developing the cruise liner market. Certainly St. Catherine's is one option that was considered. Not a great deal of money was spent on that particular element of the overall package of developing or assessing the cruise industry development in Jersey.

4.1.7 The Connétable of St. Helier:

I would like to thank the Minister for being so well briefed and so positive. Would he agree with me that it is good to have the first oral question of this particular meeting about tourism, which is extremely important to the Island?

Senator A.J.H. Maclean:

Absolutely. I thoroughly agree and clearly a key import, it is not only tourism but the economy as a whole for 2014, so I am pleased we have had an opportunity to get off, hopefully, to a flying start. Now we just have to deliver.