PRESS RELEASE

Caen, Tuesday 30 January 2018

IN 2018, THE PORTS OF NORMANDY AUTHORITY IS ‘SCALING UP’

The relevance of the PNA development strategy was confirmed in 2017 with the construction of two blade and marine turbine plants in Cherbourg; a growing ship repair business; cruising which continues to break records and a level of cross-Channel traffic which, despite an uncertain environment (Brexit, pressure from migration, the weak pound, etc.), continues to instil the ferry companies’ trust in us since they are preparing to put vessels of greater capacity into circulation, even on some lines, to increase the number of trips. 2018 will mark a new stage in this joint association’s evolution, because on 1 January 2019, PNA and the Port of Dieppe - both chaired by Hervé Morin - will become one, with the objective of offering an even greater contribution to Normandy’s economic development.

COMMERCIAL

2017 Overview
After three successive years of progression at an average of almost 5% per year, passenger traffic is slightly down (-2.61%). Brexit and, as a consequence, the negative effect on the pound for British tourists, explain this situation. It should be noted, however, that passenger traffic is holding up very well in Ireland and that cruise shipping continues to flourish (+24.21%). Freight traffic is being maintained (-0.32%) with particularly good results on cross-Channel routes (+3.51% at Caen-Ouistreham and +6.97% in Cherbourg). Caen-Ouistreham still remains by far the busiest route to the west of the Dover strait.

2018 Prospects
Work on Caen-Ouistreham should begin in the autumn (€ 8M PNA / € 2M CCI Caen Normandy). Highly anticipated by the key players at the port of Caen-Ouistreham, this work aims to consolidate (or even increase) the traffic significantly.

In 2018, the challenge for both Caen-Ouistreham and Cherbourg will be to continue efforts to diversify conventional traffic, and thus reduce the dependence on “grain” traffic (although the 2017 harvest is of excellent quality with satisfactory volumes, and promises the first half of 2018 to be more in line with the usual volumes handled by the port of Caen-Ouistreham):

- Launch of the MRE sector in Cherbourg.
- “Niche” activities and the wood industry in Caen, where the port can hope to reap positive results related to its commercial efforts and investments (dryers). Although volumes are still modest, the port is now processing pellets, and a new attapulgite traffic has been
introduced. Around 10,000 t per year is expected. Lastly, the exotic wood business is continuing to recover and has seen its traffic increase by around 50% in 2017.

In terms of cross-Channel services, the strong results in Ireland have convinced the company IRISH FERRIES to replace the OSCAR WILDE with the WB YEATS, currently under construction, from mid-2018. With a length of 194.80 m, it will be the largest ROPAX in service in the world (capacity of 330 lorries instead of the current 100). It will offer a standard “cruise ferry” and will accommodate 1,885 passengers instead of the current 1,450. From 13 July until the end of September, the WB YEATS will rotate between Cherbourg and Dublin every 2 days.

On the Ouistreham-Portsmouth line, BRITTANY FERRIES remains confident in the line’s attractiveness. The system of three departures per day will remain unchanged in 2018. A thousand or so trips will therefore be ensured during this year. In addition, the company confirms the arrival of HONFLEUR, replacing NORMANDIE on this line in 2019.

However, the trade environment with the United Kingdom remains marked by the uncertainty of Brexit. Negotiations on the nature of future trade relations between the European Union and the United Kingdom have made little progress to date. Tensions over the border issue in Northern Ireland and the UK exit bill meant that the necessary prior agreement on the exit was delayed to December 2017. PNA is extremely attentive and is working closely with State services and all operators to better prepare themselves.

CRUISING

2017 Overview
PNA has registered a new record in 2017 with a growth of 24.21% and 130,424 passengers. That’s about 25,000 more cruise passengers than the previous year. The new record is linked to strong market dynamics, the quality of the welcome and the nautical accessibility of the port of Cherbourg, which can accommodate the largest cruise ships in the world such as the Queen Mary 2. Thirty-five cruise ships were received in 2017, including around 10 with a capacity of more than 3,000 passengers.

2018 Prospects
In Cherbourg, the last two “historic” cruising gangways have been replaced by a new gangway, operational in June. An investment of € 1.6 M (€ 350 K from Cherbourg-en-Cotentin, € 350 K from the Port of Cherbourg SAS and € 900 K from PNA) is more than justified by this new record year and 2018 prospects which are set to be similar to the 2017 financial year. Thirty-five cruise ships are expected including a dozen inaugural stopovers.

At Caen, there are five to seven planned stopovers, including two that are inaugural: SAGA Pearl II (SAGA) and Laperouse (Ponant). With its 400 passengers, the SAGA Pearl II will be one of the largest cruise ships ever received at Caen-Ouistreham.

FISHING

2017 Overview
After a difficult year in 2016, the Cherbourg fish market put a stop to its downturn and stabilised its activity with a tonnage of 5,508 t (+1.08%), even when the average price remained at a sustained level: € 2.69/Kg (+0.49 %). The arrival of the MARIBELISE, an offshore unit that brings the Cherbourg flotilla to 7 units, has just compensated for the technical stops of other offshore vessels which explains the lack of significant increase in tonnage. At the port of Caen-Ouistreham, 1,737 t were declared at the weighing terminal, which represents a notable increase. Thanks to an exceptional scallop campaign, the port has enjoyed a high visitation level.

2018 Prospects
In 2018, PNA and the West Normandy CCI, delegate of the fishing port of Cherbourg, will implement a restructuring plan of the fish market: regrouping of sorting, change of sales computer system, installation of a fridge for receiving throughout the day, flexible schedules, improved flows with the arrival of two forklifts, refurbishment of the old bus station which will be transformed into an equipment warehouse... The aim is a return to the economic equilibrium as early as 2019. Finally, the Armement Cherbourg anticipates the arrival of Marie Catherine II, sister ship of Maribelese, in September 2018. She will replace Marie Catherine I. Additionally, the development works for the seafood product area access are in progress and should be completed in the spring. They represent a PNA investment of € 1.5M.

**PLEASURE**

**2017 Overview**
The number of vessels is slightly down (-1.95% = 5,537 units against 5,647), while the number of overnight stays has significantly increased (+11.79% = 30,037 overnight stays compared to 26,868).

**2018 Prospects**
The process of reflection on the development of the marinas and their appeal strategies, whether in Cherbourg or Ouistreham, continues. Changes in leisure boating trends (people are less inclined to own boats, while increasingly large numbers seek to practice this form of recreation) means that we need to adapt our offering.

**SHIP REPAIRS**

**2017 Overview**
PNA manages three dry docking tools at the port of Cherbourg for units up to 4,000 t. In 2017, 125 dry dockings were carried out, which is identical to the activity in 2016.

**2018 Prospects**
In the area of **ship repairs**, a call for expression of interest (EOI) was launched in January to commercialise seven property and land plots in Cherbourg. In addition, Channel Maintenance Cherbourg will launch a number of commercial initiatives to reach a new level.

**MRE**

**2017 Overview**
Construction of the LM Windpower blade plant began in February while construction of the Open Hydro Naval Energies marine turbine plant began in March. They will be completed during the first quarter of 2018. From there, the manufacturers will be able to begin the installation of production lines and recruitments.

**2018 Prospects**
The construction of the maintenance base at Ouistreham remains suspended at the end of appeals. This base is part of a wider project to develop the outer port which combines multiple functionalities and uses linked to commercial boats, fishing, pleasure and safety boats, and future offshore wind energy activities.
OUISTREHAM SAFETY OPERATIONAL CENTRE

Repair work of the Ouistreham safety operational centre has just begun. The current building, located on the dock, was built in 1964. It accommodates the activities of the port authorities and PNA's personnel who operate structures, as well as the remote control of the mobile structures for the ports of Caen-Ouistreham and Cherbourg. Over the years, these premises have become outdated, uncomfortable and unsuitable for the needs of the users of both organisations. This is why PNA has started to renovate and modernise them. During the works period, the port authority /PNA activities and services shall continue to be performed. PNA investment: €1.29 M

PNA AND PORT OF DIEPPE MERGER

Driven by Hervé Morin, the merger plan for the two joint associations has been approved by the Presidents of the executives concerned with a goal of January 2019. This evolution of the two joint associations should not be analysed from the angle of potential savings. Above all, it constitutes the affirmation of a collective and political priority.

This project to merge port structures is part of the joint strategy of regional and departmental authorities for the development of Normandy’s maritime economy. It’s about “being stronger without being heavier”. Departmental communities, conurbations, personnel as well as the harbour community’s key players are being consulted concerning the creation of this structure.

It will see the emergence of a single port, authorising the definition and implementation of a port strategy at the scale of the entire region, ensuring the relevance, coherence and complementarity of investments - the overall cost of which can still be optimised - and offers.

This structure will facilitate the convergence of regional and departmental policies on the issues of fishing, pleasure boating, and cross-Channel activity.

The merger will finally allow the creation of an agent with a critical mass, whose “trade” activity will be close to certain metropolitan major maritime ports and whose “cross-Channel” activity will consolidate its leadership position in the west of the Dover strait.

This elevation to port visibility at the national level is crucial, in particular because it considerably increases the capacity for promoting ports and their influence on various bodies.

AS REGARDS PNA

Owner and manager of the ports of Caen-Ouistreham and Cherbourg, Ports of Normandy Authority are: 5,000 direct, indirect and induced jobs/ €200 M invested in Normandy (2007-2017)/ 100 ha used for marine renewable energy/ 5 million tonnes of goods a year/ 1.7 million cross-channel passengers a year/ 2,400 pleasure boat moorings/ ¼ of fishing tonnage declared in Normandy/ nearly 100 ha of land available/ a complete naval repair offering.

PNA is the regional alliance in Normandy of la Manche and Calvados departments, for the economic development of their territories. You can find out more about PNA at www.pna-ports.fr

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