£15 MILLION FOR PORT OF FALMOUTH YARD

On 27 January the Chancellor of the Exchequer, George Osborne following a visit to the A&P Group in Falmouth (SW England) announced that the UK Government has awarded a £15 million defence contract for the A&P Group that will create sixteen new jobs in Falmouth, Cornwall including six new apprenticeships. This work is for the installation of equipment to enhance four new tankers in order that they are ready for operations with the Royal Fleet Auxiliary on delivery.

A&P Group is one of Europe’s leading ship repair companies, is a major provider of marine engineering services to the UK Ministry of Defence and Foreign Navies. The Group operates seven dry docks across three strategic locations in the UK: the Tyne, the Tees and at Falmouth.

Falmouth’s famous harbour is the largest in Cornwall and the third deepest natural harbour in the world, it is reported. 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.

In the UK the marine industry has hugely 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 per year. 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.

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 equalled £75 million. The GVA per job at the Falmouth Docks is £53,570, considerably higher than the South West average of £44,350 per Full Time Equivalent (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.

To quote Chancellor Osborne: “I am delighted that the A&P Group has been awarded this major new defence contract that will create new jobs here in
Falmouth and give job security to many others here on the site and in Falmouth. It is only because we have a long term economic plan that we are able to make these big investment decisions here in the south west to help the region develop and maintain its position as a world class hub for defence and cyber security services.”