Feasibility study on the future development and greening of the cruise hire sector

Commissioned by

Researched and produced by

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About this report

This report considers the future development and greening of the cruise hire sector in Ireland to 2033. Key scope asks and inputs are shown below.

High level scope

Sector analysis

Review of the cruise hire sector, identify trends, opportunities and challenges. Analysis of 3 international case studies.

Sector scenarios and their feasibility

Scenarios for the cruise hire sector and assessing their feasibility. Developing expanding marinas assessment.

Roadmap for the sector

A roadmap for the future of sustainable development, diversification and greening of the cruise hire sector over the next 10 years.

Key inputs in our work

Desktop research covering secondary research and data, including from:

- CSO data
- Cruise hire companies' websites
- VNF report, Study on operation and economic benefits, France
- Masterplan Freizeitschifffahrt, Germany
- Climate Action Plan 2021 (CAP21)
- The Green Blue program, UK
- The Shannon Tourism Masterplan
- Roadmap for the Decarbonisation of the European Recreational Marine Craft Sector
- Understanding the 2020 domestic boating landscape (IBRA)
- Volvo Penta case study on HVO

Stakeholder consultation with public and private stakeholders:

- Day boats operators: Moon River, Spirit of Killaloe, Viking tours
- Department of Housing, Local Government and Heritage (DHLGH)
- Environmental Protection Agency (EPA)
- European Boating Industry
- German Industry Association BVWW
- Operators in Ireland: Carrickcraft Carrick On Shannon, Emerald Star, Silver Line
- The Local Authority Waters Programme
- Tourism officers: Offaly, Leitrim, Cavan, Roscommon, Westmeath, Lough Derg
- Other: LocaBoat France, LeBoat UK, MGM (Delphia), ePropulsion, Aqua Super Power

Conversations with the Steering Group, in particular with:

- Fáilte Ireland
- Waterways Ireland
- Irish Boat Rental Association (IBRA)
- The Inland Waterways Association of Ireland (IWAI)

Glossary

Glossary of terms and acronyms used throughout the report.

B2B	Business-to-Business
BVWW	Bundesverband Wassersportwirtschaft
CSO	Central Statistics Office
DoT	Department of Transport
Department of Tourism	Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media
EBI	European Boating Industry
EoY	End-of-Year
FI	Fáilte Ireland
HVO	Hydrotreated Vegetable Oil
IBRA	Irish Boat Rental Association
IWAI	The Inland Waterways Association of Ireland
LA	Local Authorities
MCA	Multi-Criteria Analysis
PAMI	Plan for Modernisation and Innovation of river fleet
pNHA	Proposed Natural Heritage Area
PV	Photovoltaics
SAC	Special Area of Conservation
SEAI	Sustainable Energy Authority of Ireland
SEO	Search Engine Optimisation
SPA	Special Protection Area
STMP	The Shannon Tourism Masterplan
TII	Transport Infrastructure Ireland
VNF	Voies Navigables de France
WI	Waterways Ireland

Contents

Project ambition and structure (1/2)

Background

The overall objective of this report is to explore the future sustainable development of the cruise hire sector in Ireland up to 2033.

The aim is to support the sector in rejuvenating and sustainably developing the cruise hire fleet and related infrastructure. This is intended to provide the consumer with a diversified, environmentally friendly, and world-class experience along the Shannon Navigation and Shannon-Erne Waterway.

One of the standout features that differentiates tourism along the Shannon is the cruise hire product. Unlike competing markets, visitors to the Shannon enjoy unparalleled access to an uncluttered waterway, free from commercial traffic, and the opportunity for meaningful interactions with the welcoming local community at their destination.

However, there has been a significant decline in the number of available cruise hire vessels in the Irish market. A well-planned replacement and modernisation of the fleet are now of utmost importance to revitalise and expand this unique Shannon experience. Moreover, this presents an opportunity to transition from diesel-powered crafts to a more sustainable source of power.

In the context of the UN Sustainable Development Goals, the government's commitments outlined in the Climate Action Plan 2021, and the recent findings of the Sustainable Tourism Working Group (2021-2023), Ireland's entire tourism sector must adopt a more sustainable approach and align itself with environmental aspirations and targets.

This report serves as a response to these objectives, focusing on the development of the cruise hire sector in Ireland. Its purpose is to facilitate growth and prosperity within the sector, while providing customers with a diverse and sustainable vacation experience, all while remaining aligned with environmental aspirations and objectives. Community and cultural assets are also expected to benefit from the development of the cruise hire sector in Ireland.

Report structure

Section 1 is the **executive summary**, describing key information about the cruise hire sector, its strengths, opportunities, and challenges. It suggests a vision and ambition for the sector, mentions the key enablers, and outlines its objectives. The executive summary also proposes a roadmap for the sector over the next 10 years.

Section 2 provides a **sector analysis**. It includes information on the number of cruise hire trips in Ireland, the origin countries of the visitors, the number of berths, seasonality, motivations for trips, challenges, and barriers to growth from the operators' perspective. It also includes a SWOT analysis.

Section 3 introduces three **international case studies**: France, the UK, and Germany. For each case study, the report describes the number of boats, the number of visitors, key operators, recent trends, greening plans, implementation status, and the status of fleet renewal.

Section 4 explores the opportunity to **expand the infrastructure** in order to allow the sector to grow. The exploration includes an assessment of developing a new cruise hire hub, a place where visitors can hire a boat or return it, as well as expansions of new marinas along the Shannon.

Section 5 includes a description of three **scenarios for the sector**: sustainable growth, status quo, and a decline sector. The section provides a forecast of the anticipated number of visitors and the actions under each scenario. Under sustainable growth, four themes were identified: greening, increasing demand, new supply, and commercial projects. Each theme includes a list of opportunities. The report includes a description of each opportunity, its anticipated costs, implementation considerations, and provides examples of leading markets. It also offers high-level financial projections and a risk analysis.

Project ambition and structure (2/2)

Report structure (cont')

Section 6 provides **recommendations** regarding the actions needed to achieve sustainable growth and **assesses each action's viability**. The viability assessment of the sustainable growth scenario includes a description of each action, an assessment of the required funding and investment, sustainability and decarbonisation aspects, and a "traffic light" (green/orange/red) indicating the action's viability. The section ends with a high-level analysis of the required commitments from various stakeholders.

Section 7 includes a **roadmap for the sector** over the next 10 years. The roadmap describes key actions around the three themes: fleet, infrastructure, and segments. Time is divided into three periods: 2024-2025, 2026-2028, and 2029-2033. The section includes elaboration on actions for the next two years and Key Performance Indicators (KPIs) for the sector over the next 10 years.

Section 8 (Appendix) includes recommended steps to increase demand and details on the Multi-Criteria Analysis (MCA) for expanding marinas.

Section 9 includes all **consultation notes** from stakeholder engagement during the project.

Section 10 explores **alternatives to diesel fuel for the cruise hire sector**. This research document explores alternatives to diesel fuel that would have a smaller ecological impact. Specifically, it highlights the potential of using Hydrotreated Vegetable Oil (HVO) as a viable, less environmentally harmful substitute for diesel in the cruise hire sector.

1. Executive summary

The current Irish cruise hire sector

Cruise hire in Ireland offers a distinct adventure with significant prospects. However, the sector grapples with issues such as ageing boats, rising maintenance costs, and dependence on diesel fuel.

~ 230 boats

3 operators

18.4k visitors a year

54% are domestic visitors

Diesel is the main fuel power

Strengths and opportunities

- A unique holiday experience
- High rate of **customers satisfaction**
- Positioned as **high-quality product**
- **Beautiful locations** suggest the best of Irelands views
- Different boat sizes to **fit variety of needs**
- **Not as crowded** as France/Germany
- **Increase in demand** during Covid-19 period
- Cruisers enjoy exploring the towns and enjoy Irish culture
- **"Green" the sector** alternatives and change to sustainable fuels
- **New segments, offerings and revenue streams**
- Sustainability Credentials of tourism offering with impact on the water (e.g. upcoming All-Island Sustainability Assurance Scheme/Programme summer 2024)

Challenges

- **Declining number of boats**
- **Aging boats -** increasing maintenance costs and emissions
- Use of **unsustainable fuels** and its impact on the environment and potential visitor perspective
- Very **seasonal industry**
- Changes in **customer preferences**: Cruisers prefer shorter trips and demand better facilities
- **Competitive landscape** (Europe) – Germany and France are much stronger markets
- **Profitability challenges**, high maintenance costs
- **Lack of information** on what to do nearby along the way
- Perceived as an **expensive** holiday
- The **natural landscape value** is not highlighted on signage and information boards in various marinas

The future Irish cruise hire sector

Vision: A sustainable sector with boats powered by sustainable sources, attracting an increased number of visitors and diverse audiences

Ambition: Fáilte Ireland, in partnership with the cruise hire stakeholders, will establish robust frameworks and allocate necessary resources to enable the sector's growth and greening

Key enablers for growth in the cruise-hire sector

1. Fleet
2. Infrastructure
3. Segments

Objectives

Fleet
- 20% growth in the number of boats
- Renewal of 36% of the existing fleet
- 25% retrofitted

Segments
- New audiences, mainly young adults
- New offerings and revenue streams
- Out of season demand

Linkages to the surroundings
- An interactive map for marketing visitor attractions and useful information

Energy Source
- HVO short term
- Electric as main source
- Hydrogen long term when readily available

Infrastructure
- Athlone marina expansion. Hodson Bay and Dromineer afterwards
- Charging network
- Retrofitting facilities

Partnerships
- Partnerships with public bodies and LAs to attract visitors and develop the sector
- Partnerships with local businesses

Roadmap for the cruise-hire sector (1/3)

Indicative implementation roadmap for the cruise hire sector over the next 10 years.

	Action	Steps	Lead	Support	KPI	Timeframe
Fleet	Fleet development	Work with operators to develop business plans	Fáilte Ireland	IBRA	A well-defined business plan by the 3 operators	2025
		Assess price competitiveness of existing offer vis-à-vis other markets and consider potential for higher prices	Operators	Fáilte Ireland, IBRA	Part of the business plan of each operator	2025
		Monitor performance and increased investment	Operators	Fáilte Ireland, IBRA	20% growth in no. of boats (~270 boats)	2033
		Invest in fleet renewal	Operators	Fáilte Ireland, IBRA	20% growth in no. of boats (~270 boats)	2033
		Working with the sector to facilitate development of innovative day boat tour experiences	Waterways Ireland	Fáilte Ireland, IBRA	TBD by WI	TBD by WI
	Promoting greening by alternative fuels and power sources	Liaise with IBRA, The Department of Tourism and DoF to explore the potential for subsidies in relation to HVO	Fáilte Ireland	IBRA, The Department of Tourism, DoF	A HVO agreement between relevant stakeholders	2024
		Liaise with DoT / Department of Tourism/ SEAI to launch a national scheme to include the cruise hire sector	Fáilte Ireland	DoT, Department of Tourism, SEAI	Introduction of a national scheme to support greening the sector	2025
		Support the transition to electric boats by providing grants (by government bodies)	Government bodies	IBRA	• 25% of new boats are hybrid/electric • 25% retrofitting of existing boats	2033
		Regularly track the developments of hydrogen and consider implementation as necessary	Fáilte Ireland	Waterways Ireland	An annual report on fuel alternatives developments	Each year (from 2025)

Roadmap for the cruise-hire sector (2/3)

Indicative implementation roadmap for the cruise hire sector over the next 10 years.

	Action	Steps	Lead	Support	KPI	Timeframe
Infrastructure	Marina expansion	Develop feasibility study/ business case in line with Public Spending Code, CDP zoning and STMP	Fáilte Ireland	Waterways Ireland, LAs	A completed feasibility study	2025
		Undertake commercial planning and obtain relevant approvals	Waterways Ireland	LAs	Received relevant approvals	2026
		Align on procurement and Initiate construction	Waterways Ireland	n/a	Marina expansion in 3 locations	2029
		Enhance management capacity and bay rules law enforcement	Waterways Ireland	n/a	TBD by WI	Ongoing
	Charging infrastructure	Consult with EPA,WI and Eirgrid regarding infrastructure impact	Fáilte Ireland	EPA,WI, Eirgrid	Completed consultations	2025
		Contract with a charging infrastructure company	Waterways Ireland	Fáilte Ireland, LAs, IBRA, sector operators	An agreement with a charging infrastructure company to install chargers	2025
		Install ~5 charging points (on water) along the Shannon	Waterways Ireland (Lead the contract with a private provider)	Fáilte Ireland, LAs, IBRA, sector operators	Installed 5 charging points along the Shannon	2026
		Install additional ~5 charging points along the Shannon			Installed 10 charging points along the Shannon	2029
	Facilities retrofitting	Provide mentorship for operators to prepare retrofitting plans	Fáilte Ireland	IBRA	Mentor provided to operators to prepare retrofitting plans of facilities	2025
		Support operators in achieving funding from existing schemes	Fáilte Ireland	IBRA	Operators receive funding for retrofitting	Ongoing
		Implement the retrofitting plan	Operators	IBRA	Facilities retrofitting has been completed within 3 operators	2028

Roadmap for the cruise-hire sector (3/3)

Indicative implementation roadmap for the cruise hire sector over the next 10 years.

	Action	Steps	Lead	Support	KPI	Timeframe
Segments	New offerings and revenue streams	Facilitate B2B meetings between operators and businesses	Fáilte Ireland	LAs, IBRA	At least 3-5 B2B agreements for each operator with local business	2026
		Evaluate performance and identify additional streams	Operators	IBRA	At least 25% of visitors are aged 18-34	2028
		Support operators to develop a marketing strategy and plans with new offerings and new revenue streams	Fáilte Ireland	IBRA	A well-defined marketing strategy by the 3 operators	2025
	Marketing IHH across specific themes	Develop brand identity and goals	Fáilte Ireland	n/a	A well-defined brand identity and goals	2025
		Establish social media presence/ campaigns with influencers	Fáilte Ireland	n/a	Established social media presence/ campaigns	Ongoing
		Monitor performance, make adjustments and repeat successful campaigns, keeping up to date with emerging trends	Fáilte Ireland	n/a	Increased number of visitors in the IHH area	Ongoing
		Engage with LAs and WI, create an interactive map	Fáilte Ireland	LAs, Waterways Ireland	An interactive map with X annual traction (To be determined by Fáilte Ireland)	2026

The regenerative tourism approach

In pursuit of sustainable growth within the cruise hire sector, adopting a regenerative tourism approach is paramount.

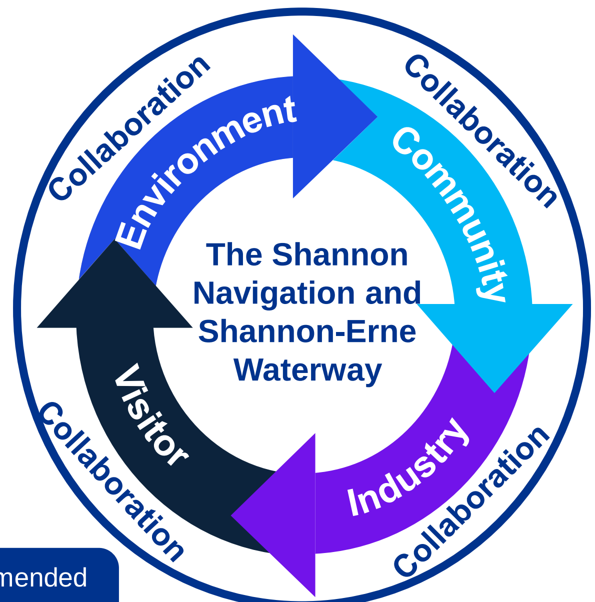
The regenerative tourism approach revolves around placing the destination, the Shannon Navigation and Shannon-Erne Waterway, at the heart of the tourism model and striving to deliver a net positive benefit for all stakeholders, including the environment, local communities, industry players, and visitors. Central to this strategy is a foundation of partnership and collaboration.

Within the scope of this approach, two key opportunities stand out as pivotal for the sector's development: Greening and Targeting new segments

Greening

A vital aspect of regenerative tourism is the decarbonisation of the sector. This involves implementing innovative solutions such as electric boats and harnessing hydrogen as a primary source of power. However, greening encompasses more than merely reducing carbon emissions; it also entails enhancing the eco-tourism experience. Collaboration with iconic attractions along the navigation routes and the towns situated along the Shannon-Erne Waterway is integral to this approach.

The objectives of this work and the recommended actions are driven by UN Sustainable Development Goal No. 13 Climate Action



Targeting new segments

To ensure sustained growth, the cruise hire sector must broaden its appeal and attract new market segments. This necessitates a transformation of the cruise hire value proposition to incorporate novel forms of regenerative tourism experiences, which immerse visitors in unique and enriching encounters. To meet diverse experiential expectations, it is imperative for the sector to embrace innovation and creativity, exploring opportunities for offering fresh, compelling experiences both on and off the water.

*Goal 13: Climate action, UN

2.

Sector analysis

Introduction: The cruise hire sector (1/2)

Background

Cruising on the Shannon offers a special experience for visitors to get on the water. The hire craft product has been available for approximately 50 years and has always been recognised for its high-quality and distinct holiday experience. It allows travellers to enjoy a boating vacation in Ireland, providing a chance to escape the ordinary and explore tranquil, breath-taking locations. These waterways are unspoiled and set in the heart of Ireland's natural landscapes, offering unique experiences away from the typical tourist routes, and providing opportunities to engage with rural communities.

Number of visitors and origin

Between 2017 and 2022, the sector experienced a slight increase in the number of visitors (5%). Even before the onset of the COVID-19 pandemic, there was a shift from international visitors to domestic visitors. While domestic tourism has rebounded successfully post-COVID, the number of domestic cruise hire trips by Irish residents has decreased. Domestic visitors now account for 48% of the total number of visitors. Additionally, although the Irish tourism sector performs well, rental cruises currently represent a very small proportion of trips by international tourists, comprising just 0.02% of the total. The majority of international visitors come from Germany, Switzerland, and the UK, with German visitors making up over 50% of the international visitors.

Fleet

The cruise hire fleet in 2022 consists of 224 vessels of varying berth sizes, ranging from 4 to 12 berths. The number of berths has remained relatively stable in recent years. Most boats have 4-6 berths, although operators report a preference among clients for larger boats with more berths over time.

The overall size of the fleet has declined over the past few decades. In the late 1970s and early 1980s, the fleet size reached approximately 530 boats but has since decreased to its current count of 224 vessels.

Season

The length of the boat rental season in on the Shannon and the Shannon Erne is 32 weeks, running from mid-March to the end of October each year. July and August account for 42%-43% of the trips.

Challenges

Despite the cruise hire product's success over the past 50 years, the increasing age of the fleet poses a concern for the future sustainable development of the cruise hire sector in Ireland, particularly in a competitive European marketplace. Operators within the cruise hire sector identify four key challenge themes: economics, sustainability, the competitive environment, and customer demand. They assert that despite high prices, primarily driven by escalating maintenance costs of older boats and the rising prices of new vessels, the business is not currently profitable. They indicate that without changes, the fleet will continue its declining trend.

Operators also point to France and Germany as strong markets, boasting more favourable weather conditions and easier access for visitors. They express scepticism regarding the feasibility of achieving a 51% reduction in carbon footprint within the sector. Operators believe that customers are unlikely to pay more for a more sustainable option, such as electric or hybrid boats. Furthermore, operators mention that customers perceive this type of holiday as expensive, potentially challenging to navigate, and primarily suitable for older individuals.

Introduction: The cruise hire sector (2/2)

Strengths and opportunities

Nevertheless, the sector has a range of well-known strengths. It offers a distinctive holiday experience, with a high level of customer satisfaction. Unlike the crowded rivers of Germany and France, the Shannon River remains unspoilt and provides cruisers the opportunity to explore charming towns, immerse themselves in Irish culture, and interact with locals along the way. This unique social aspect sets it apart from their typical experiences in other markets.

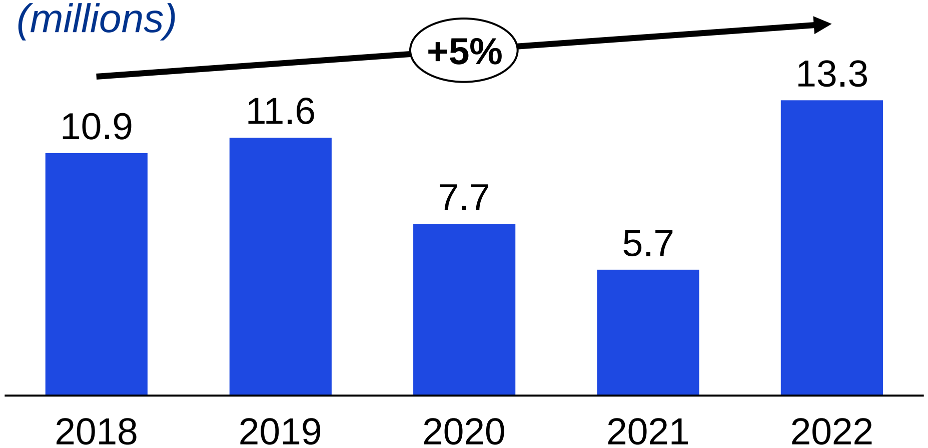
There are a range of opportunities for the sector to expand. These include the potential for an increased number of both domestic and international visitors, embracing greener practices by transitioning to more sustainable energy sources, such as HVO (Hydrotreated Vegetable Oil), or by adopting electric, hybrid, or hydrogen-powered boats. Additionally, there is an opportunity to attract new market segments, including visitors from new markets in Europe and North America, younger travellers, families, and the development of new offerings such as eco-tourism, adventure boats, and angling experiences. There is an opportunity to provide a greater range of innovative day boat tours, with Waterways Ireland keen to work with existing and new operators to facilitate this.

Tourism landscape (1/2)

Domestic tourism has rebounded well post-Covid and provides an opportunity to drive demand towards cruise hire as an alternative holiday experience.

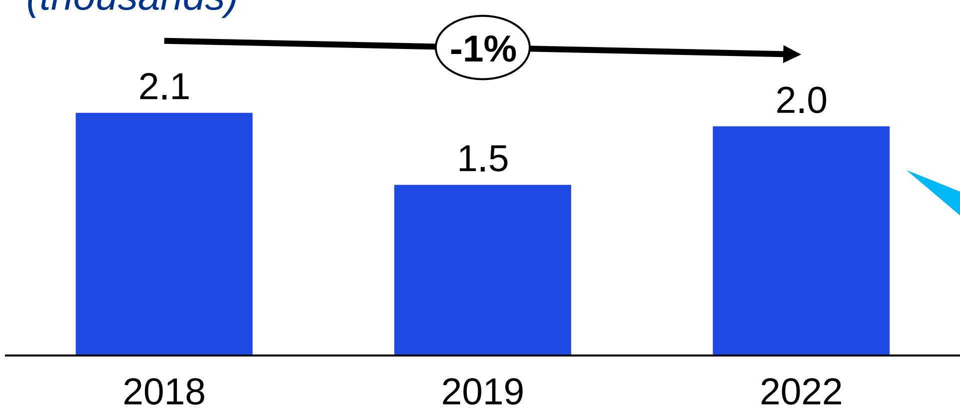
No. domestic trips by Irish residents

(millions)



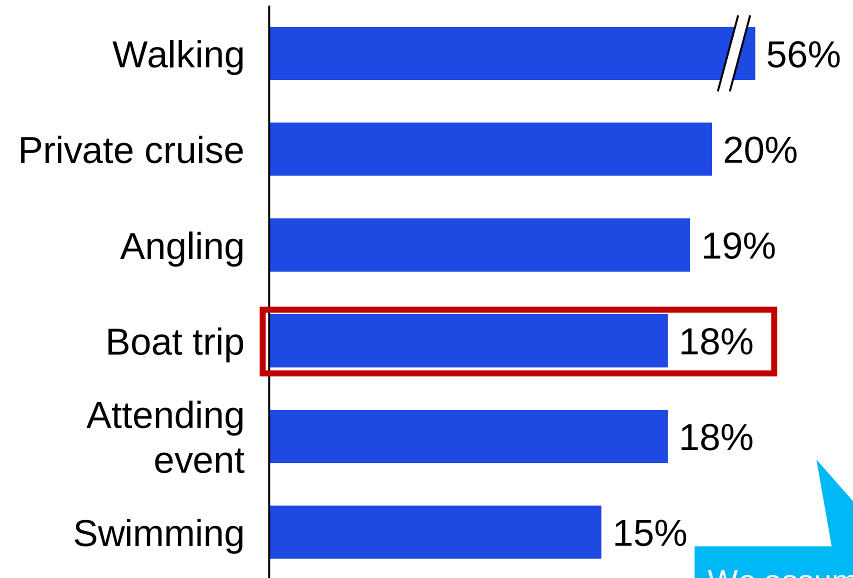
No. domestic cruise hire trips by Irish residents

(thousands)



Drivers of domestic engagement with waterways

(no. survey respondents, n=1,725, most common activities)



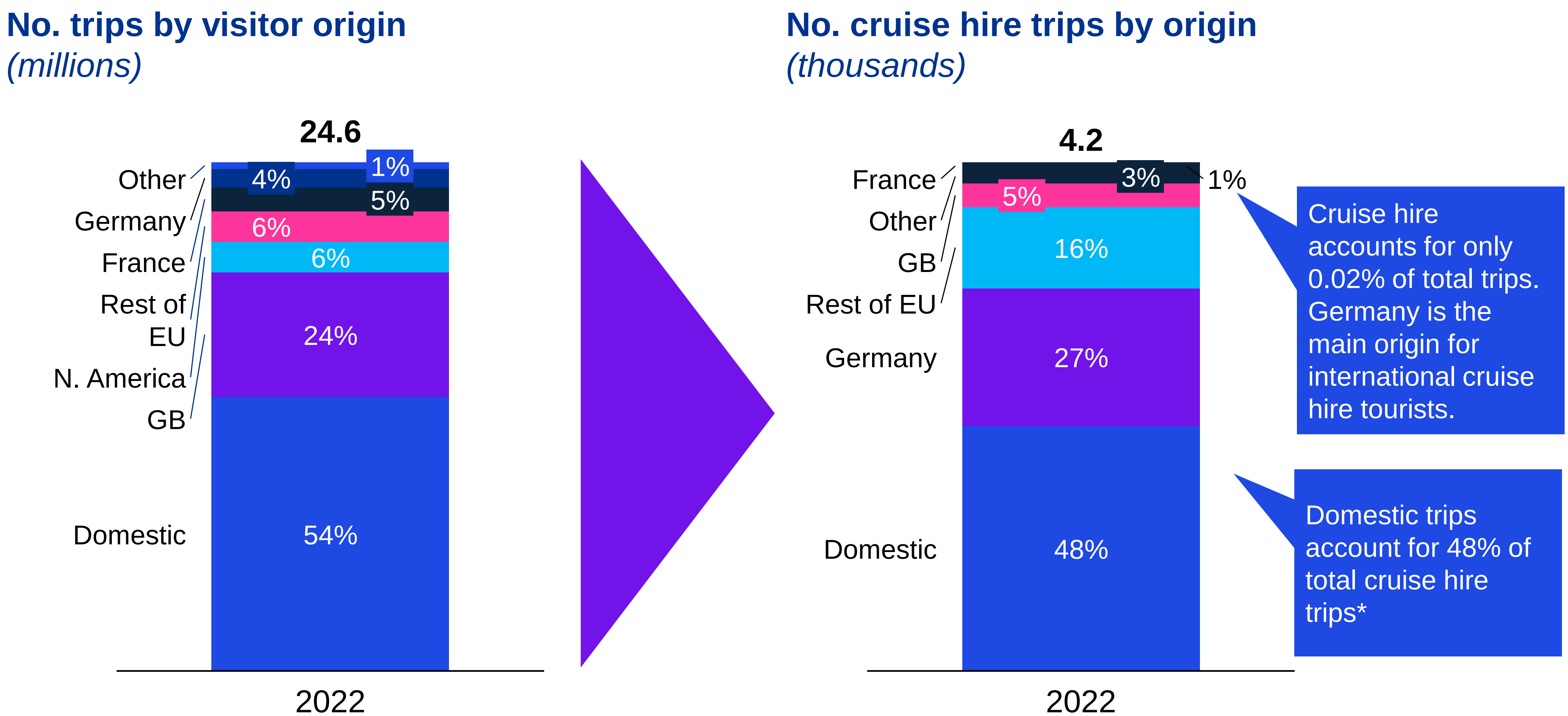
We assume cruise-hire accounts for ~20% of boat trips.

There's been a strong post-Covid recovery in domestic tourism. However, **domestic cruise hire** hasn't experienced the same recovery level.

Sources: CSO, IBRA. Drivers of domestic engagement with waterways data is based on Waterways Ireland (2017 User survey).

Tourism landscape (2/2)

While the Irish tourism sector is a strong performer, rental cruises currently do not represent a meaningful proportion of trips (0.02%). The shorter operating year is likely a factor.

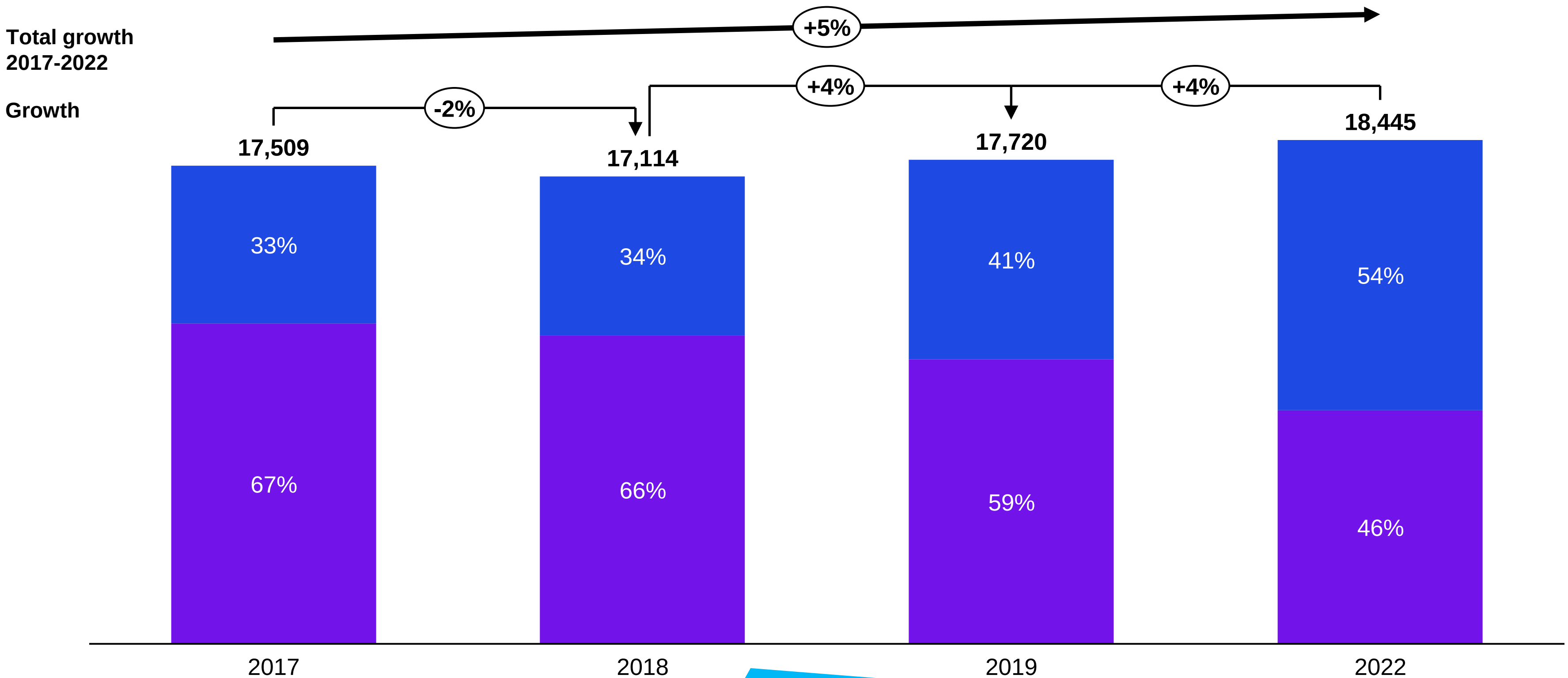


Source: IBRA, CSO

*Domestic trips account for 48% and domestic visitors account for 54%. The difference derives from the composition of the trips – domestic visitors tend to take trips in larger groups.

Number of cruise-hire visitors

During 2017-2022 the sector experienced a slight increase in the number of visitors. There was a clear shift from international visitors to domestic visitors even before Covid.



The trend of increased domestic trips began before Covid. Between 2018 and 2019, there was no significant change in the number of international visitors. However, domestic tourists increased by 25%. Operators suggest that some Irish opted for a second summer holiday within Ireland, while others changed their destination preference to domestic locations. Post Covid, international visitors decreased by 19% while domestic visitors increased by 37%.

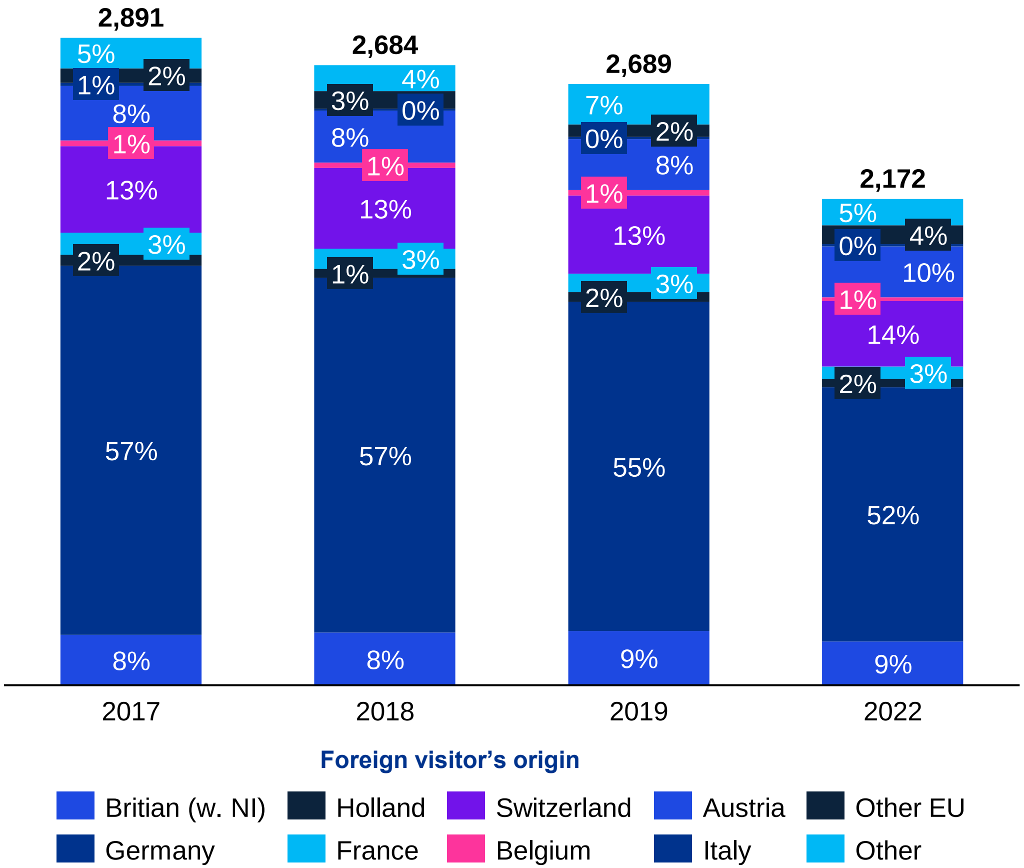
Source: IBRA

Sector analysis

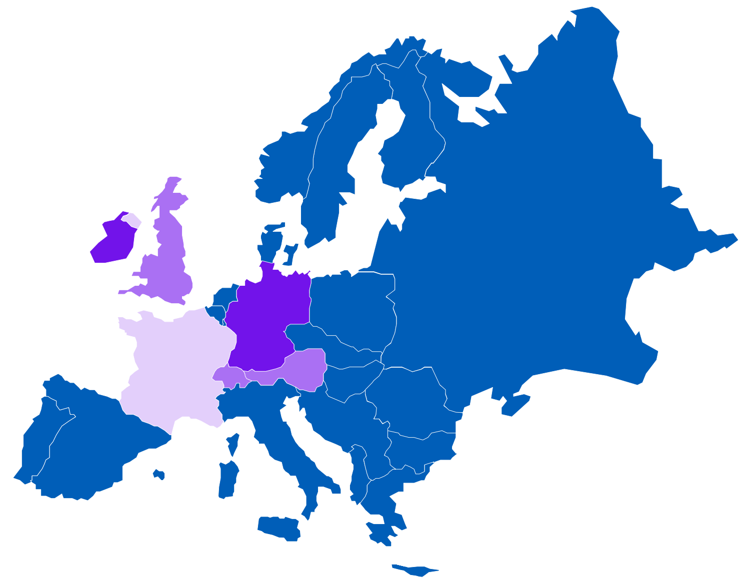
Country of origin

Germany presents the strongest demand with 52%-57% of foreign visitors. Switzerland, Austria and Britain are afterwards, with 8%-14% of boat weeks sold each.

Boat weeks sold by foreign visitor's origin country (%)



Visitor's origin, demand level

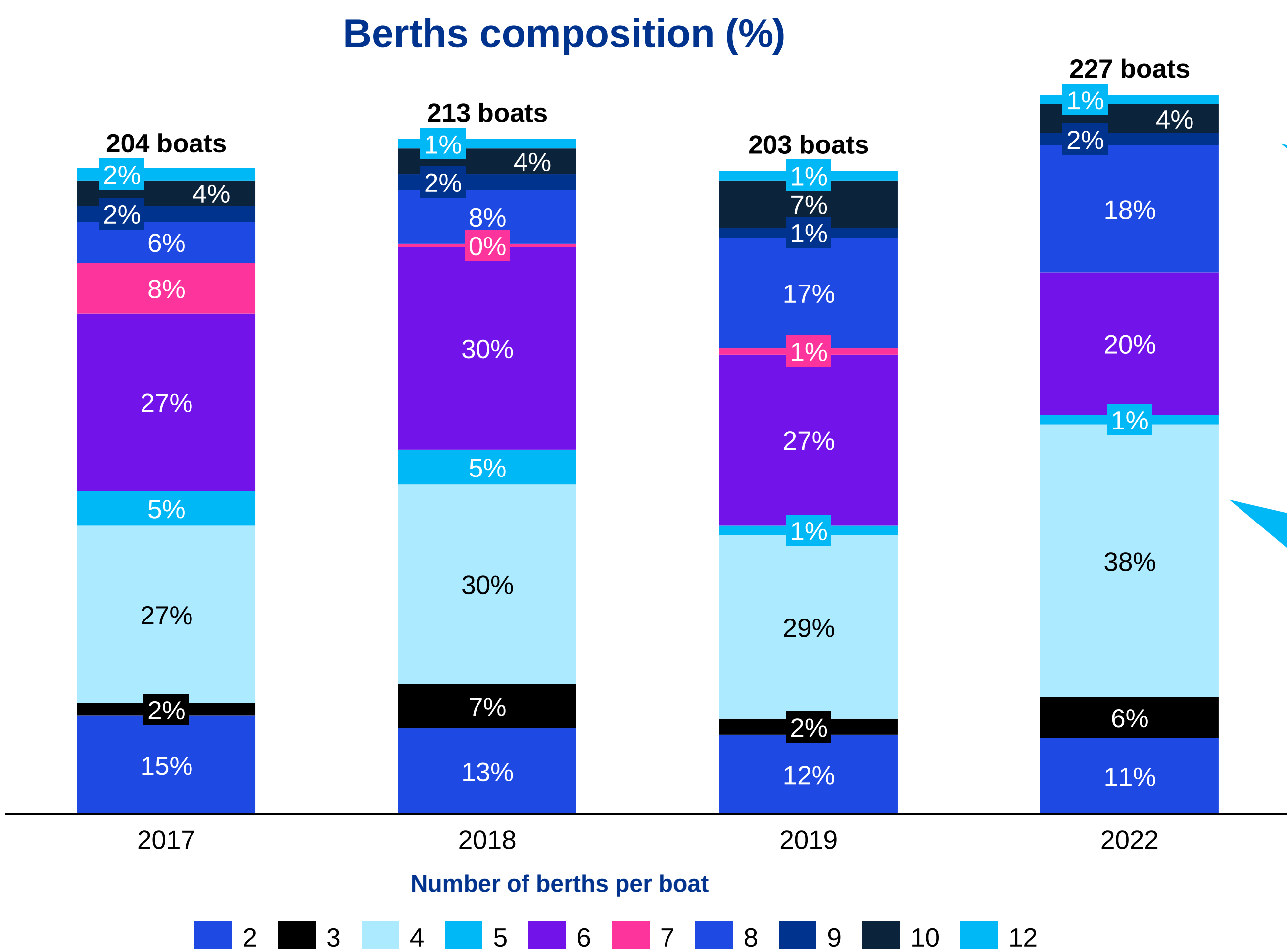


- **High demand – RoI and Germany (25%-45% each)**
- **Strong demand – Switzerland, Austria and Britain (5%-10% each)**
- **Mid demand – France and NI (1%-3% each)**
- **Low demand- Holland, Belgium, Italy**

Source: IBRA

Number of berths

The number of berths has not changed much in recent years. Most boats have 4 or 6 berths (57%-65%). Operators indicate that clients prefer bigger boats with more berths over time.



The number of berths increased by 11% during the years 2017-2022. Average number of berth per boat remained the same, at 5.28 on average.

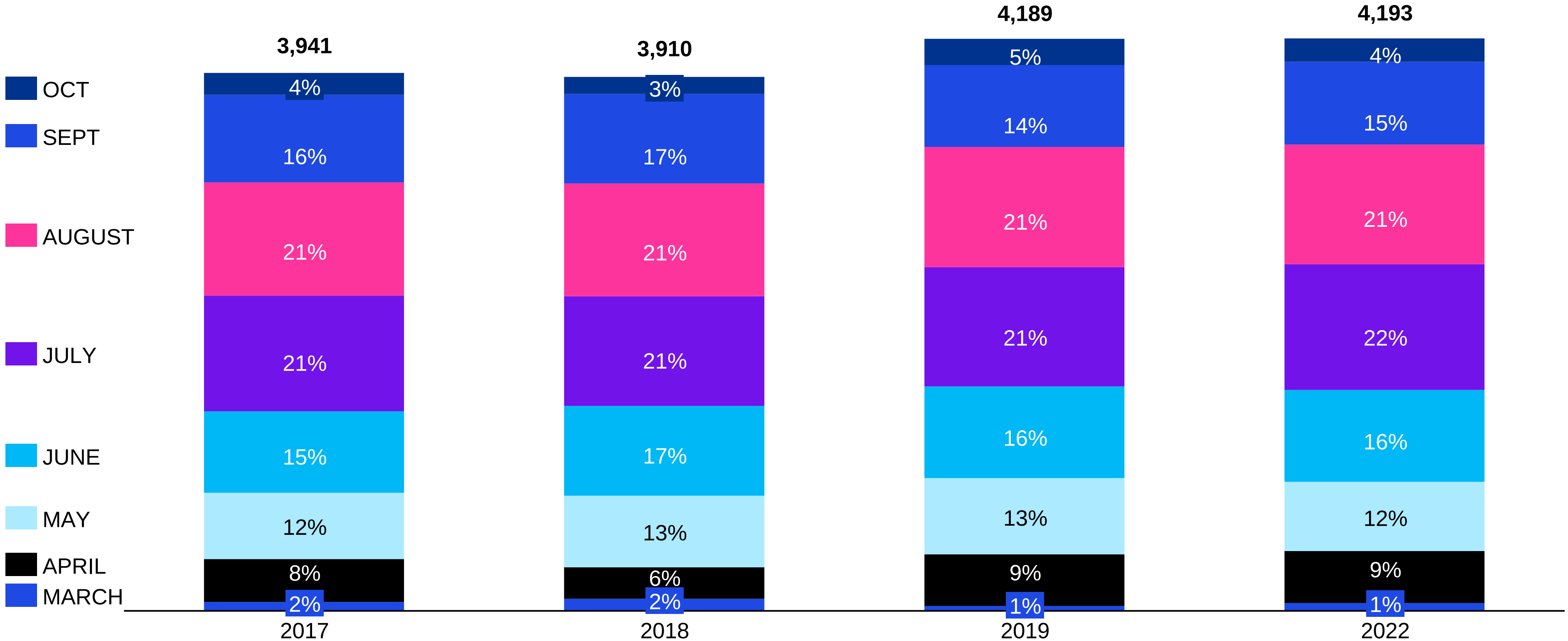
Domestic visitors tend to cruise in larger groups of 5 people on average. International visitors cruise in smaller groups (~4).

*Source: IBRA

Seasonality

July and August account for 42%-43% of weeks sold. There was no significant change in seasonal demand in recent years. Covid has not changed this materially.

Boat weeks sold by month



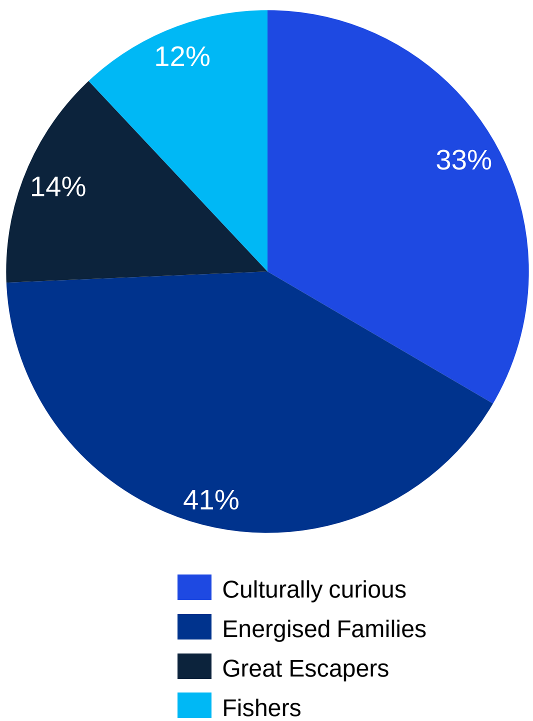
Peak season: most popular with families of all ages; Shoulder season: fishers, couples in small groups, etc*

*Source: IBRA

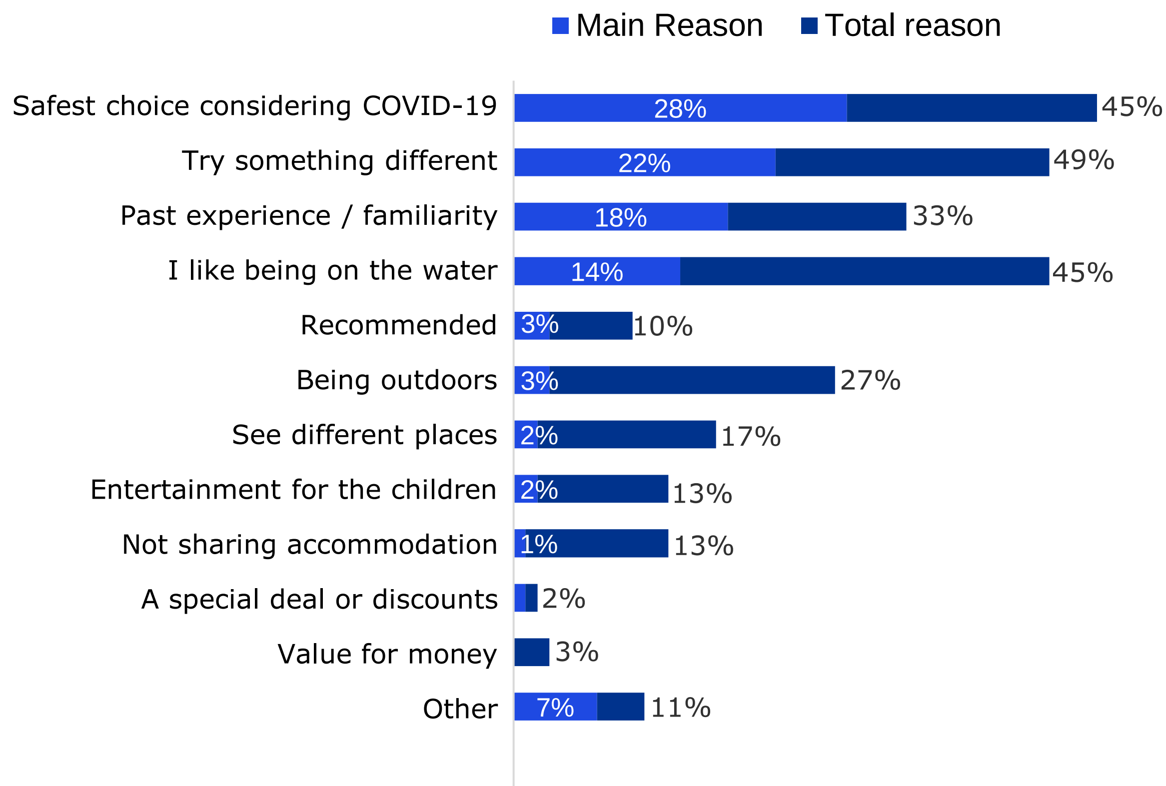
Domestic visitors by motivation

Demand is mostly driven by 'energised families' and the 'culturally curious' market segments. In 2020, boating was seen as a safe choice for a holiday. A love of water, new and different experiences and being outdoors are important secondary motivators.

Visitors by tourism segmentation, 2019



Motivation for cruising, 2020



Source: Understanding the 2020 domestic boating landscape IBRA Boating Research – Quant/Qual, IBRA and Fáilte Ireland

Challenges and barriers to growth – operators' view

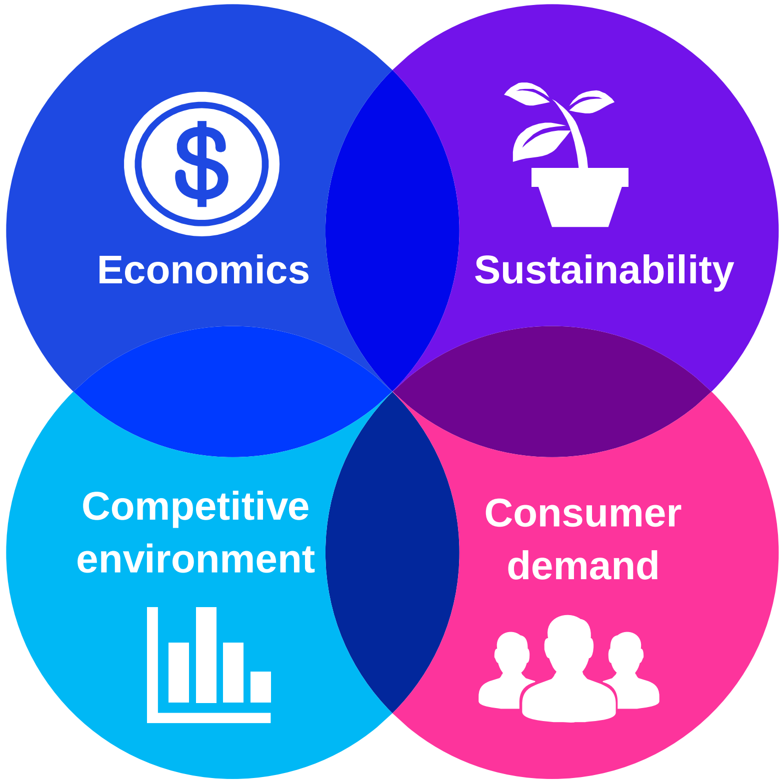
Operators struggle to maintain existing activities, growth and greening require address economics, competition, sustainability and consumer demand challenges.

Economics

- Profitability challenges – ~€250 per night and yet not very profitable
- Rising maintenance costs for old boats
- Retrofitting costs – retrofitting is not only replacing the engine and requires larger investments
- New boats are expensive (~€400,000)
- If nothing changes fleets will continue to decrease

Competitive environment

- Appealing weather in other countries
- Strong markets in Germany and France due to easier access (however, more crowded)
- Other tourism alternatives in the season – flights, resorts, motorhome etc.
- "Green vacations" alternatives – glamping, camping, caravans



Sustainability

- Reduce emissions and carbon footprint by 51% by 2030 seems unachievable
- Electric boats – Operators don't prioritise, costumers won't pay more and less suitable when navigation is challenging
- Small market – mother companies prefer to invest in greening bigger fleets

Consumer demand

- Customer perceptions – expensive, difficult to navigate, for older people
- Awareness – 43% of first-time cruisers didn't think about it / did not know it exists
- Demand for better facilities at the marinas – power supply specifically
- Lumpy demand seasonality; cruisers sometimes face crowded marinas

Sector analysis summary: SWOT

Cruise hire in Ireland offers a distinct adventure with significant prospects. However, the sector grapples with issues such as aging boats, unpredictable profitability, and dependence on diesel fuel.

S – Strengths

- A unique holiday experience
- High rate of satisfaction (55% exceed expectations, 40% met expectations)
- Positioned as high-quality product
- Beautiful locations suggest the best of Irelands views
- Different boat sizes to fit variety of needs (2-12 berths)
- Increase in demand during Covid-19 period (7% increase in number of weeks sold)
- Not as crowded as France/Germany
- Cruisers enjoy exploring the towns and enjoy Irish culture
- Cruisers meet people along the way that they could chat with

W – Weaknesses

- Relatively small fleet – 220 boats
- Aging fleet
- Unsustainable fuels, mainly diesel
- Rising maintenance costs
- Very seasonal industry – May to September account for 95% of trips
- Insufficient connectivity to number of tourist attractions along the way
- Some pubs and restaurants are often closed
- Lack of information on what to do nearby
- Perceived as an expensive holiday

O – Opportunities

- Increase in domestic and international number of visitors.
- Emissions and greening – HVO, electric boats, hybrid, retrofitting, hydrogen, solar roofs
- New product offering and revenue streams (e.g. bird watching, angling) and day boat tours
- New segments – by country origin (Europe and North America), younger generation, families, themes e.g. engagement parties or graduates
- Strategic alliances / partnerships with other tourism businesses
- New base locations/hubs infrastructure
- Out of season visits

T – Threats

- Declining number of boats – from 530 in the early 80's to 220
- Aging boats - increasing maintenance costs and emissions
- Limited production capacity of new boats
- Use of unsustainable fuels and its impact on the environment and potential visitor perspective
- Electric boats uptake is not expected in the short time (next 5 years)
- Cruisers prefer shorter trips (3 nights instead of 7), rise in costs
- Competitive landscape (Europe) – Germany and France are much stronger markets
- Possible impacts of climate changes (i.e water level)

3.

International case studies

International Case Studies (1/2)

Background

This section provides insights into how other cruise hire sectors in per markets have approached the rejuvenation, expansion, and adoption of environmentally friendly practices in their offerings. This section provides details on the progress these markets have made and the challenges they are encountering.

This section focuses on three key markets: France, Germany, and the UK. All three markets exhibit strength in the cruise hire industry, featuring a significant number of vessels and operators.

France

France stands out as one of the most robust markets for cruise hire. It boasts a fleet of 1,600 vessels across 94 bases, welcoming approximately 130,000 annual visitors. A total of 27,800 trips are sold, with an average of 4.7 persons per boat. The three largest operators, Les Canalous, Loca Boat, and Le Boat, collectively hold an 87% market share. The average rental price per trip is €2,340, inclusive of fuel costs.

France has taken a significant step towards climate action, installing ten electric charging infrastructure points in the Grand Est basin. Currently, there are only four electric cruise hire boats in operation, with their trips priced similarly to diesel boats. From consultations with operators in France, it appears that there are no concrete plans to transition to electric propulsion in the near future.

France also offers the PAMI plan (Plan for Modernisation and Innovation of river fleet), which supported eligible projects, including boat production (50%) and electric engine system costs, from 2018 to 2022. A budget of €19 million was allocated in 2022 by VNF (Voies navigables de France) and the State. The scheme for 2023-2028 is less generous and focuses primarily on environmental improvements, such as electric engine system costs but not boat production. A significant threat to the sector is climate change, impacting the season with canal closures due to water scarcity. Destinations like the Canal du Midi were already closed for cruising due to a low level of water.

France promotes slow tourism and active holidays, with 64% of visitors combining walking and 62% combining cycling. Rental companies maintain large fleets of bicycles. The sector faces a similar challenge of aging boats, with the average boat age being 17 years. Over one-third of the vessels are over 20 years old. Older boats are often sold to private owners, as this is more profitable than continuing to operate them.

Germany

Germany constitutes approximately half of the French cruise hire market. It offers a fleet of 824 vessels, with an annual visitor count of around 67,000. The German cruise hire sector heavily relies on domestic visitors, with 85-90% of visitors originating within the country.
International operators, such as Locaboat, LaBoat, and Nicols, own 17% of the fleet. Domestic operators, YC Schulz and Kuhnle Tours, are the largest and account for 22% of the fleet, while the remainder consists of domestic operators with up to 40 boats each. Key challenges in the sector include aging boats and increasing prices for new vessels.
Electric propulsion is gaining significant momentum in Germany, with strong demand, although government funding for greening and renewal is currently unavailable. Plans exist for a test region for electric boats, including charter boats, but these plans have yet to be implemented. Operators promote water sports, fishing, and wildlife experiences, particularly bird-watching along the lakes and canals.

UK

The UK offers a fleet of over 600 vessels, spread across three bases - two along the Thames and one in Scotland. Approximately 50,000 visitors are received each year. The UK market is predominantly driven by domestic demand and has experienced growth in recent years.

International Case Studies (2/2)

UK (cont')

Three major operators oversee the majority of the vessels: Le Boat, Kris Cruisers, and Caley Cruisers, while the rest are notably smaller operators.

One of the key challenges in the UK sector is the ageing of boats. However, many operators are actively investing efforts to rejuvenate their fleets. Older boats are frequently sold to private owners after several years, as this often proves more profitable than continuing to operate these ageing vessels.

Operators in the UK (consulted as part of this research) express a degree of uncertainty regarding greening initiatives, including technological advancements. One of the largest operators has conveyed their reservations about building hybrid boats, utilising HVO (Hydrotreated Vegetable Oil), or adopting hydrogen propulsion in the near future. According to this operator, HVO prices are volatile, hydrogen's feasibility is still under assessment, and electric propulsion would require significant investments without a clear economic business plan.

Nonetheless, "The Green Blue," a programme launched by the Royal Yachting Association and British Marine, is working to inspire and support efforts to make boating activities more environmentally sustainable. There is an increasing demand for electric vacations, which in turn is driving the demand for electric boats. MDL Marinas and Aqua Super Power have taken steps to install charging infrastructure at five marinas.

The majority of operators, excluding the smaller ones, offer bicycle rentals and encourage their visitors to enjoy the cycling experience. In the UK, there is substantial demand for fishing. Operators assist in organising fishing permits and provide fishing equipment for rent or purchase. Additionally, they offer paddleboard and kayak rentals, barbecues, and premium grocery packs.

Introduction to International Case Studies

We have reviewed three cruise hire markets to identify best practices for sector growth.

Key trends

- The cruise hire sector is consolidating and controlled by the international operators
- Aging boats is a common concern
- Covid increased the share of domestic visitors over international visitors

Greening status and plans for the future

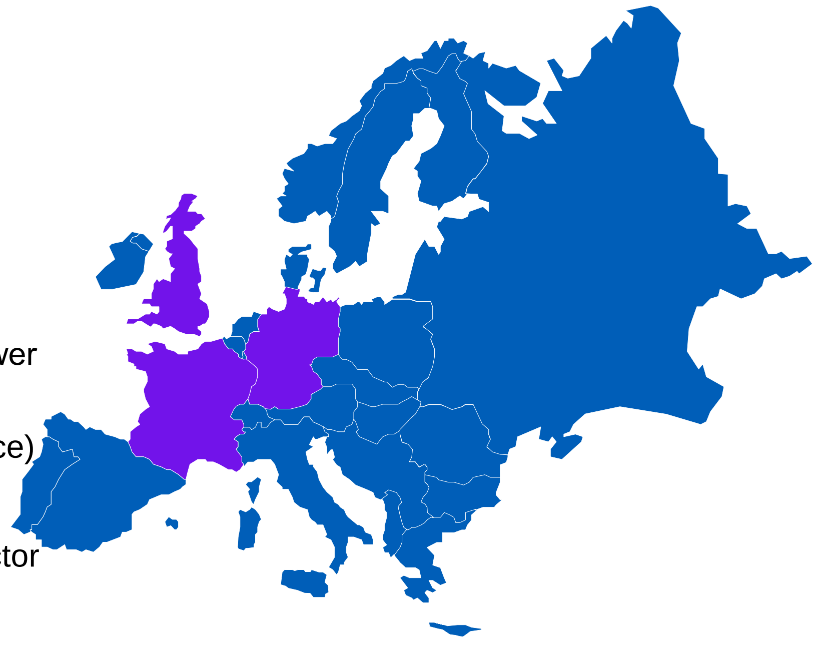
- Electrification in the future is in consensus, but practical actions are far
- Hydrogen is a hope for the sector, but uncertainty around implementation
- Best practice: Charging infrastructure along 100 km in France

Fleet renewal

- Greater reason to invest in fleet renewal elsewhere. Ireland's turnover is lower by 20-30%.
- Best practice: Selling to the private sector when aging (UK, Germany, France)

Funding schemes

- No funding scheme at a European level and Government funding of the sector is rare
- Best practice: France – PAMI – 40% funding of electric engine system cost



Ireland offers a unique experience compared to the other markets. However, fleet renewal is essential to compete internationally. Greening is a common concern, but Ireland is not lagging behind.

France

The French cruise-hire market is one of the leading, with ~1,600 boats. However, similar challenges of aging boats, slow pace of greening and increase in customer requirements.

Country	🇫🇷
No. of boats	1,603
No. of tourists per year	130,300
Key operators	Les Canalous, Loca Boat, Le Boat, Nicols*
No. of bases	94
No. of operators	36 (3 international)

Consultations:

1. Ophélie Barriere, General Manager, LocaBoat
2. Ricart Vanpouille, Head of Tourism & Leisure, VNF

Other sources:

1. VNF 2019 report, Study on operation and economic benefits UK`s boating industry.
2. Operators' websites: Les Canalous, Loca Boat, Le Boat, Nicols

Current status*

- **27,800 contracts per year.**
- **63% international, 37% domestic.**
- A fall of 17% in number of contracts between 2011-2018.
- 30%-45% of contracts are in July-August.
- The average **rental period is 6.7 days.**
- **Average prices per rental €2,340** (including fuel).
- Rental days per year: 116 days. (A decrease of 12% 2011-2018). The season is 32-33 weeks.
- The share of **first-timers has increased** from 39% to 47% between 2012 and 2019.
- 3 biggest operators: 87% of the market.

Key trends

- **Climate change** having an impact during the season with **canal closures due to lack of water**. A risk to the sector in several destinations.
- **Slow tourism and active holidays: 64% combine walking and 62% combine cycling**. Rental companies have large fleets of bicycles.
- **Greening:** installation of charging infrastructure.
- 69% of customers are **aged over 50.**
- **Additional spend of €1,700 per cruise** (€2,000 international visitors, €1,250 domestic visitors). On average, a passenger spends additional €57 per cruise day.

Greening status and plans

- Installation of 10 **electric charging infrastructure** in the Grand Est basin.
- Currently **4 electric cruise hire boats** in operation, Sold at the same prices as diesel boats.
- Companies don't have actual plans to electrify in the near future.
- **PAMI** (Plan for Modernisation and Innovation of river fleet) 2018-2022: support of **up to 40% on eligible projects** including boat production (50%) and electric engine system costs. **€19m budget to 2022 from VNF and State.** The 2023-2028 scheme is less generous focusing on pure greening (e.g. electric engine system costs but not boat production).

Fleet renewal

- Average age of habitable rental boats is relatively high at **17 years old. More than 1/3 are 20+ years old.**
- New rental bases has practically ceased since 2010 due to initial investment costs.
- **The sector requires aids to shipyards and incentive measures** for the renewal of the fleet to reinforce the base of the sector and sustain activity.
- Older boats often **sold to private owners** after years as this is more profitable than continuing to operate the boats.
- **End of life recycling approach** where boats beyond their service life and recycled.

Nicols is now owned by Loca Boat
Based on VNF 2019 report, 2018 data. Updated report will be published in 2024

PAMI - (Plan for Modernisation and innovation of river fleet)

The French State and VNF are providing financial assistance over a 10 year period to achieve environmental and logistical objectives.

Funding and assessment criteria

- In 2018-2022 there was a €19m budget funded by Voies Navigables de France (VNF) (€12.3m) and the French State (€6.5m). Initial support of up to 40% on eligible projects including boat production and electric system costs.
- Funding was aimed towards modernising the inland waterway fleet with the objective of more energy efficient, safer and competitive boats.
- The scheme was renewed as a less generous scheme in 2023-2028. The scheme focuses on pure greening e.g. electric engine system costs but not boat production.

The assessment criteria is outlined below. Projects with a score equal to or greater than 12 are eligible to apply for funding (subject to budget responsibility).

Assessment Criteria
Maturity (out of 4)
Impact of the assistance (out of 6)
Relevance and impact of the project (out of 9)
Quality of project presentation (out of 1)

The assistance is divided into four components which respond to the major challenges on the inland waterway fleet and are designed to achieve environmental and logistical objectives:

A **Improve the environmental performance of the fleet**
Reduce fuel consumption, emissions and pollutant discharges. Encourage use of renewable energy sources. Optimise onboard energy management

B **Improved integration into the logistics chain**
Attract new traffic and strengthen the waterway service to seaports

C **Support the renewal of stakeholders and in the industry**

D **Foster the emergence of innovative solutions**

Germany

The German cruise-hire sector relies heavily on domestic visitors. 83% of the boats are operated by local operators. Aging boats and slow pace of greening are the key concerns.

Country	
No. of boats	824
No. of tourists	67,000*
Key operators	Kuhnle Tours, YC Schulz Locaboat, Le Boat, Nicols

Consultations:

1. Harald Kuhnle, Vice President of the German Industry Association BVWW and CEO of Kuhnle Tours
2. Ophélie Barriere, General Manager, LocaBoat

Other sources:

1. Operators' websites: Kuhnle Tours, YC Schulz, LocaBoat, LeBoat, Nicols
2. Masterplan Freizeitschifffahrt
3. Charterboote Elbe

Current status

- Germany is home to thousands of lakes, connected by rivers and waterways fit to explore by boat including Lake Constance.
- Some inland routes require a motorboat license.
- **85-90% of the visitors are domestic.**
- **The international operators** Locaboat, LaBoat and Nicols **own 17% of the fleet.** YC Schulz and Kuhnle Tours are the **largest domestic operators and account for 22% of the fleet.** The rest are domestic operators with up to 40 boats each.

Key trends

- Operators promote **water sports, fishing and wildlife** particularly **bird watching** along the lakes and canals.
- Boats are booked for around 12-16 weeks per season, expecting growing demand in the next years.
- 85-90% of visitors are domestic with mainly families in the Summer season.

Greening status and plans

- Industry is working hard on electrification, hydrogen and retrofitting. The provision of **electric propulsion** is rising strongly and the demand is also very high.
- Currently **no Government funding** available to assist with greening and renewal.
- Expectation of e-fuel to be less expensive in future. Hydrogen not available yet and too expensive.
- Plans for a test region for electric boats incl. charter boats but not yet implemented.

Fleet renewal

- Challenge of **strong rising boat prices for new boats**.
- 225 of the known cruise hire boats are owned by key operators LocaBoat, Le Boat, Nicols and Kuhnle Tours. The same operators in France and the UK described boat age's as high with no financial incentive for renewal.
- **Sale to the private market** has been identified as best practice for older boats.

*Based on an assumption of 81.2 visitors per boat, as in France and Ireland.

UK

The UK cruise hire sector is largely driven by domestic demand and has a range of offerings to tailor cruises to specific demand e.g. electric vacations and recreational activities.

Country	
No. of boats	618 *(among three largest operators)*
No. of tourists	50,000*
Key operators	Le Boat, Kris Cruisers, Caley Cruisers
Locks Comparison	River Thames (32) and North East Scotland (12)
No. of Bases	River Thames (2) and North East Scotland (1)

Consultations:

1. Andrew Bromilow, Project Director, LeBoat

Other sources:

1. British Marine, The trade association for the UK`s boating industry.
2. The Green Blue program
3. Operators websites: Kris Cruisers, Caley Cruiser, LeBoat

Current status

- Cruising season running from the end of March to the end of October.
- Market **mainly driven by domestic demand** and has experience growth in recent years (likely due to travel restrictions and increasing trend of staycations from Covid-19.
- **Le Boat, Kris Cruises and Caley Cruisers** are among the key operators with most other operators smaller with different product offerings.

Key trends

- **Bicycle hire** an aspect of boat hire in England and Scotland with bike hire available, however some smaller operators do not permit bikes on boats.
- Large demand for **fishing**. Operators help **organise fishing permits and sells fishing equipment.** Additional extras for rental/ purchase include paddleboards, kayaks, barbeques and premium grocery packs.
- **Increasing demand for electric vacations** driving a demand for electric boats. MDL Marinas and Aqua Super Power have installed **charging infrastructure** at five marinas.

Greening status and plans

- Uncertainty around the future including technology advancement. One of the largest operators **does not expect to build hybrid boats, or use HVO or hydrogen in the near future.** HVO experience volatile prices, hydrogen is too early to assess its feasibility and electric requires massive investments with no economic business plan.
- Royal Yachting Association and British Marine's **The Green Blue**: non profit programme to inspire and support making **boating activities more environmentally sustainable.**

Fleet renewal

- Operators are investing in new boats to keep upgrading fleet, having **modern fleet** boats- Kris Cruiser's boats have been **graded as 4 or 5 stars** by Visit England/ British Marine with an additional range of 5 Star Elite boats.
- Older boats often sold to private owners after years as this is more profitable than continuing to operate the boats.

*Based on an assumption of 81.2 visitors per boat, as in France and Ireland.

4.

Marina expansion

Marina expansion

Background

This section assesses the technical, commercial, and environmental feasibility of establishing new cruise hire hubs along the Shannon Navigation and the Shannon-Erne Waterway.

Based on discussions with operators, creating a new cruise hire hub where visitors can hire a boat or return it is not currently a priority and is not feasible in the near future. Operators are grappling with the challenge of maintaining their existing fleets, which takes precedence. Establishing and operating an additional hub would require more staff, investments in facilities, and increased operating costs.

However, expanding some of the public marinas along the Shannon appears to be of higher priority. According to discussions with Tourist Officers (please see consultation notes in the Appendix) and operators, certain marinas are experiencing high demand but have limited capacity for cruise hire visitors.

Marina expansion

To address this issue, this section assesses the feasibility of expanding marinas along the Shannon. Following consultations with Waterways Ireland, County Tourist Officers, and cruise hire operators, five potential marinas were identified as candidates for expansion: Athlone, Hodson Bay, Shannon Harbour, Terryglass, and Dromineer.

A Multi-Criteria Analysis (MCA) was conducted to evaluate the advantages and disadvantages of each option. Scores were combined to provide an overall assessment for each candidate. Each option was evaluated across four themes and their respective criteria. These themes and their weighted percentages are as follows: Demand (35%), Technical Feasibility (35%), Environmental Impact (15%), and Economic Impact (15%).

The MCA suggests that Athlone Marina is the most suitable for expansion, followed by Hodson Bay Marina and Dromineer Marina. Detailed scoring information can be found in the appendices.

A new cruise hire hub assessment

The development of a new cruise hire hub may become more relevant as the sector experiences higher growth and demand (linked to overall objectives). Numerous public marinas could potentially serve as suitable locations for establishing cruise hire hubs. At this stage, optimising existing marinas is preferred over creating new hubs. According to Waterways Ireland, if the number of cruise hire users were to increase, they could make greater use of public marinas, for example, Cavan/Belturbet. With increased demand and interest from operators, there may be potential for a new cruise hire hub at Ballina/Killaloe.

One operator noted that a trial basis in Ballina/Killaloe is acceptable but subject to private sector interest in operation. Reasons for choosing Ballina/Killaloe over other locations include offering an option for one-way cruise hire trips, its appeal to some visitors (e.g., they can combine a visit to the Cliffs of Moher), enhancing tourism in the Lough Derg area, and reducing congestion in Carrick-on-Shannon. Developing a new hub would involve various considerations such as projected demand, required investments, operating costs, and technical feasibility, including environmental assessments.

The recommendation is to monitor the sector's development over a 2-3 year period and, subject to a total growth rate of at least 5% in the number of visitors and boats in that period, consider developing a new hub location. Subsequently, a feasibility assessment can be undertaken and a plan can be developed in collaboration with Waterways Ireland, the Inland Waterways Association of Ireland (IWAI), the relevant Local Authorities (LAs), the Irish Boat Rental Association (IBRA), and the operators.

Marina expansion

In order to develop the cruise hire sector, options to develop a new cruise hire base location and marina expansions were considered. As expanding into an additional location is not a priority for the operators, the analysis was focused on marina expansion options.

Based on consultation and research, a shortlist of five potential marinas to be expanded were identified. These are spread geographically across the area of the Shannon Tourism Masterplan.

All of these locations may also be suitable for short-term or day boat rentals

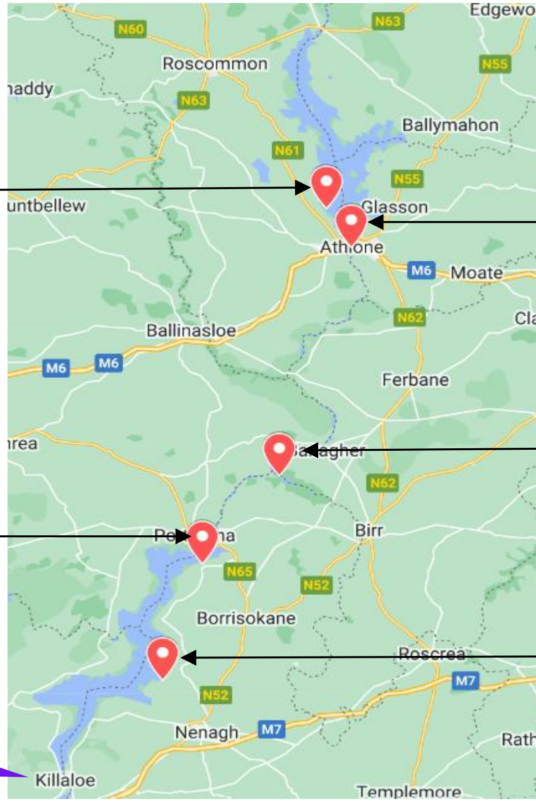
Hodson Bay Marina

Athlone

Shannon Harbour

Terryglass

Dromineer



There is potential for a new marina base at Ballina/Killaloe on a trial basis and subject to private sector interest in operation

Multi-Criteria Analysis

Multi-Criteria Analysis (MCA) was conducted five existing marinas. The MCA uses a range of criteria to score and rank the respective hub options.

Multi-Criteria Analysis

Multi-Criteria Analysis provides a framework to draw on multiple pieces of information, assess each option against defined criteria and identify the strengths of each option.
An MCA will be carried out to understand the pros and cons of each option and scores are combined to give an overall score for each.

Themes

Each option is assessed across four themes and their respective criteria. The options are awarded a score between 1 and 5 for each criteria (1 being low/poor and 5 being high/very good). Scores are awarded relative to each of the other options.

Weighting

Each theme has been given a weighting, reflecting our initial view of the importance of each to achieving your objectives.

Cost

The MCA does not include an assessment of the financial cost of each option. This step may be required under the Public Spending Code, should any project require approval from public sector funding bodies.

Key steps followed in MCA

Identify options
- What are the long-list of possible options?
- Are these options feasible?

Identify criteria
- What criteria will be used to judge the options?
- Can the option be practically measured against each criteria?
- What weighting does each criteria receive?

Assess performance
- What type of scoring will be used?
- What will each score represent?
- What score does each option receive?

Review conclusions
- Which options score best?
- Would different weightings of criteria change the conclusion?

Marina expansion

Criteria and weights

Options were assessed using a range of criteria. Demand and technical feasibility themes account for 70% of criteria.

Theme	Criterion	Scoring description (5 - high/good, 1 - low/bad)	Weighting (%)
Demand (35%)	No. of cruisers in the area	Popular destination / frequent traffic: Rank 1-5. 5 = highest to 1 = lowest	15.0%
	Proximity to other marinas	Popular destination / frequent traffic: Rank 1-5. 5 = furthest to 1 = closest	10.0%
	No. of visitor locations within 5 km	No. of visitor locations within 5 km: Rank 1-5. 5 = highest to 1 = lowest	10.0%
Technical feasibility (35%)	Connectivity with road - local access	Connectivity to local access roads: 5 - direct vehicle access via local roads. 1 - no direct access via local roads.	3.3%
	Connectivity with road - major routes	Distance to nearest major road: Rank 1-5. 5 = closest to 1 = furthest.	3.3%
	Connectivity with rail	Proximity to nearest rail station: Rank 1-5. 5 = closest to 1 = furthest.	3.3%
	Water depth	Score 5, 3 or 1: 5 = suitable for Marina development subject to technical studies. 1 = not suitable.	6.3%
	Wave conditions	Score 5 or 1: 5 = suitable for Marina development subject to technical studies. 1 = not suitable	6.3%
	Water supply	Score 5 or 1: 5 = mains water supply. 3 = other water supply. 1 = no water supply.	1.9%
	Wastewater system	Score 5, 3 or 1: 5 = mains sewerage. 3 = other on-site wastewater treatment. 1 = no wastewater treatment	1.9%
	Power Supply	Score 5 or 1: 5 = electricity grid connection. 1 = no grid connection.	1.9%
	Communications - internet connection	Score 5 or 1: 5 = internet connection. 1 = no internet connection.	1.9%
	Land use zoning	Score 5, 3 or 1: 5 = proposed use is permitted in principle. 3 = proposed use is open to consideration.1 = proposed use is not permitted.	5.0%
Environmental impact (15%)	Environmental impact - protected environments	Protected environments (habitats or species) (SPA, SAC, NHA, pNHA): Score 5, 3 or 1: 5 = 2.5km - 5km from site. 3 = within 2.5km from site. 1 = within the site.	7.5%
	Environmental impact - protected landscape areas	Protected landscape areas: Score 5, 3 or 1. 5 = site is within a low sensitivity landscape. 3 = site is within a medium sensitivity landscape. 1 = site is within a high or very high sensitivity landscape.	7.5%
Economic impact (15%)	Proximity to established towns and villages	Proximity to established towns and villages: Rank 1-5 . 5 = closest to 1 = furthest.	10.0%
	Land availability	Potential for a commercial complex on site that may include hotel, restaurants and retail components: Score 5, 3 or 1. 5 = lands owned by WI. 3 = lands owned by County Council. 1 = no lands owned by WI or County Council (or other partner organisation)	5.0%
Total			**100.0%**

MCA results

Multi Criteria Analysis suggests that Athlone marina is the most suitable for expansion.

Criteria	Shannon Harbour Marina	Athlone Marina	Terryglass Marina	Dromineer Marina	Hodson Bay Marina
No. of cruisers in the area	8	13	3	3	13
Proximity to other marinas	5	2	3	7	9
No. of visitor locations within 5 km	2	7	3	5	3
Connectivity with road - local access	3	3	3	3	3
Connectivity with road - major routes	1	2	2	3	1
Connectivity with rail	1	3	1	2	2
Water depth	5	5	5	5	5
Wave conditions	5	5	5	5	5
Water supply	1	2	2	2	2
Wastewater system	1	2	2	2	2
Power Supply	2	2	2	2	2
Communications - internet connection	2	2	2	2	2
Land use zoning	3	3	3	3	4
Environmental impact - protected environments	1	4	1	1	1
Environmental impact - protected landscape areas	4	6	6	6	1
Proximity to established towns and villages	9	3	7	5	2
Land availability	4	3	3	3	3
Total score out of 85	**55**	**64**	**52**	**57**	**59**

A new base locations assessment

Ballina/Killaloe is the preferred location to develop a new base for cruise hire operation. However, operators currently are not prioritising expanding into an additional location.

There is a large number of public marinas that could be suitable for cruise hire hubs. Optimising the existing marina is preferred over developing a new cruise hire hub. Waterways Ireland noted that if the numbers of cruise hire users were to increase, Waterways Ireland could make more capacity available at public marinas (e.g. Cavan/Belturbet).

Ballina/Killaloe was identified as a strategic opportunity for a new cruise hire base given the current lack of cruise hire options in the area, the opportunity this would create for one-way cruise hire trips, and to leverage public and private investment in tourism across the Lough Derg area. The development of a cruise hire base of scale at this location could, in time, provide an preferable alternative to Carrick-on-Shannon, supporting regional dispersion objectives.

	Pros	Cons	Considerations	Next steps
A new base in Ballina/ Killaloe	• Option for one way cruising • Preferred location for some visitors (e.g. can combine a visit in Cliffs of Moher) • Enhancing tourism in Lough Derg area • Decrease crowding in Carrick on Shannon	• Other priorities (greening, fleet renewal etc.) • Lack of operators interest • Operational complication • Required public and private investments	• Projected demand • Required Investments • Operating costs • Technical feasibility (including environmental assessment)	• Follow the sector development. Consider to develop a new location after 5% minimum increase in number of visitors and number of boats • Conduct feasibility assessment • Develop a plan that involves WI, IWAI, the relevant LAs, IBRA and the operators

Alternative cruise hire models, such as short-term or day boat rentals, have the potential to bolster sector growth. These options could be particularly well-suited for locations like Lough Ree or Lough Derg.

5.

Sector scenarios

Sector scenarios

Background

This section examines a range of scenarios for the cruise hire sector and assesses the various opportunities to achieve growth in the sector, rejuvenate and expand the cruise hire fleet, and create an environmentally friendly cruise hire product offering along the Shannon Navigation and Shannon-Erne Waterway. Three scenarios were identified: sustainable growth, a status quo, and a declining sector.

Sustainable Growth Scenario

To achieve a thriving, viable, and growing sector, aligned with the UN Sustainable Development Goals to combat climate change and its impacts, various actions should be taken. This scenario anticipates a 20% growth in the number of boats and a renewal of 36% of the fleet over the next 10 years (80-100 boats). In this scenario, the annual number of visitors is expected to increase to 22,600 (~+22% over 10 years).

Other actions included in this scenario involve retrofitting ~25% of the existing fleet (50-60 boats) and the introduction of hydrogen-propelled and solar roofs. Infrastructure-related actions will include developing charging infrastructure, starting with 5 charging hubs and expanding to 10 hubs within a decade.

Additionally, there will be efforts to develop a new cruise hire hub and/or expand capacity in three existing marinas (Athlone Marina, Hodson Bay Marina, and Dromineer Marina), with consideration given to a new cruise hire hub at Killaloe/Ballina.

Actions related to segments will involve providing new offerings such as ecotourism (bird watching, cycling, and visiting eco-parks along the way) and adventure boats. In addition, there will be efforts to develop new revenue streams such as chef-prepared meals and revenues from EV charging infrastructure. New segments will include a focus on the younger generation, such as young couples and events celebrating, along with attracting visitors from new markets in Europe and North America. Additional marketing measures will include those as outlined in the status quo scenarios.

To achieve a substantial increase in revenues, it will be necessary to raise prices (~20%) to secure the financing required for essential changes. The scenario anticipates an increase of ~47% in revenues if all actions are taken, with a ~20% increase expected if actions do not include a rise in cruise hire trip prices.

A status quo scenario

In this scenario, the sector remains stable, but growth is limited. The annual number of visitors hovers around 18,400. Some constraints are addressed, such as the replacement of most aging boats after 25-30 years with second-hand boats. A few opportunities are realised, including the utilization of HVO as the main energy source. To ensure functional continuation, maintenance works will take place, and there will be a need to expand capacity in existing marinas. To maintain a similar volume of visitors and continue to attract them, the implementation of an interactive map that provides useful information on things to do in the area is suggested. Marketing efforts will include international outreach, offering bundles with tourist attractions or restaurants and pubs in the region, and promoting the sector during the off-season to extend the cruise hire season by 2-3 weeks.

A declining sector

A "do nothing" approach may result in a declining sector where constraints are not addressed, and opportunities are left unrealised. Consequently, the sector stagnates and declines. It is anticipated that the annual number of visitors will decrease by 9% over 10 years, reaching 16,700. If not much is done, it is expected that the number of boats will decrease by approximately 3% every year.

Sector scenarios

A declining sector (cont’)

The fleet will predominantly remain diesel-propelled. Only minor marketing actions are assumed to be undertaken in this scenario, with marketing generally falling to the IHH and the Shannon, along with facilitating "What to do around" tourist boards at the marinas.

Sustainable growth themes

This element elaborates on four themes for sector growth: Greening, Increasing demand, Increasing supply, and Commercial. For each theme, a list of opportunities has been identified. Each opportunity is detailed with estimated costs, implementation considerations, and examples of best practices.

Strategic ambition: growth and greening

A strategic ambition is needed to realise opportunities. Taking account of potential scenarios can help frame specific actions.

Strategic ambition: To grow the cruise hire sector sustainably and through expansion.

Scenarios for the sector's future:

01

Scenario 1: A sustainable growth
A thriving, viable and growing sector.
Most constraints are addressed and many opportunities are realised.

Scenario 1 is aligned with the UN's Sustainable Development goals (Goal No. 13 - Climate Action: Take urgent action to combat climate change and its impacts)

02

Scenario 2: Status Quo
The sector remains stable but growth is limited.
Some constraints are addressed, few opportunities are realised.

03

Scenario 3: A declining sector
The sector stagnates and declines.
Constraints are not addressed, opportunities are not realised.

Strategic ambition: growth and greening

A strategic ambition is needed to realise opportunities. Taking account of potential scenarios can help frame specific actions.

Strategic ambition: To grow a more developed sector driven by sustainability and expansion.

Scenarios for the sector's future: | **Description**

Note: reduce 51% of carbon emissions objective by 2030*

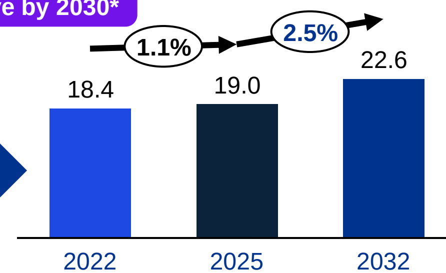
01

A sustainable growth

A thriving, viable and growing sector.

Most constraints are addressed and opportunities fully developed.

Illustrative outcome:



Growth

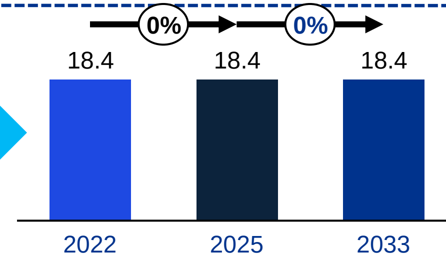
02

Status Quo

The sector remains stable but growth is limited.

Some constraints are addressed, few opportunities are developed.

Illustrative outcome:



Stable

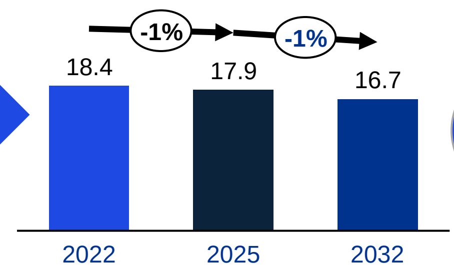
03

A declining sector

The sector experiences gradual decline over years.

Constraints are not addressed, opportunities are not developed.

Illustrative outcome:



Decline

Expected no. of visitors (k)

*Climate Action Plan 2021

Scenarios

The sector's future is dependent on which scenario emerges. "Do nothing" may lead to a declining sector, while some action may achieve the Status Quo. Bold actions could lead to sustainable growth and meet the Climate Action Plan targets.

	A declining sector	Status Quo	A sustainable growth
Fleet	• **Declining no. of boats** (~3% per year)* • Remains largely **diesel propelled**	• **Steady no. of boats** – replacing most aging boats after 25-30 years with second hand boats • **HVO** as main energy source	• **Growth in no. of boats** ~20%** • **Renewal** of 36%*** • ~ 25% (new) are **hybrid/electric** • **Retrofitting** ~ 25% of existing fleet • Introduction of **hydrogen** propelled and **solar roofs**
Infra	• No change in existing infrastructure	• Maintenance works and expanding capacity in **existing marinas**	• Develop **charging infrastructure** • **A new marina / expanding capacity** in 3 existing marinas • Facilities retrofitting
Segments	• Marketing IHH and the Shannon • "What to do around" **tourist boards** at the marinas	• Marketing – **an interactive map** • Marketing **internationally** • **Offering bundles** • Promoting the sector **out of season**	• **New offerings** (e.g. ecotourism, adventure boats, day boat tours) and **new revenue streams** (e.g. chef meals and charging infra) • Development of **new segments**
	Illustrative outcome: 16.7k visitors in 2033 (↓10%)	Illustrative outcome: 18.4k visitors in 2033 (=)	Illustrative outcome: 22.6k visitors in 2033 (↑22%)****

*Declining sector: Calculated based on annual average decline from 530 boats in the 80's to 227 boats in 2022. Number of visitors = 18,439 visitors in 2022 X 99%^10 years.
**Assumption of a slight decrease in first 2-3 years and then an increase of ~2.5% per year.
***Assumption of 28 years boat's life span. Renew 3.6% of the fleet each year. Based on industry consultations. Number of visitors
****Number of visitors = (18,430 visitors in 2022 X 101%^3 years) X 102.5%^ 7 years. Assumptions of 1% increase in first 3 years, and 2.5% increase in later 7 years.

Sustainable growth themes

Key thematic opportunities to develop the sector include greening, increasing demand, new supply and commercial projects. Each can contribute to higher overall growth.

Greening

Ireland's entire tourism offering must become much more sustainable and achieve the Climate Action Plan targets.

The cruise-hire sector could contribute by increasing the generation and adoption of renewable sources of energy, improving energy efficiency and offering a sustainable environmentally friendly vacation.

Increasing demand

Attracting more domestic and international tourists by more advanced marketing.

Offering new and unique themes such as honeymoon, alternative graduate parties or other celebratory events.

Attracting new segments such as singles or young couples and promoting out-of-season reduced cost vacations.

Increasing supply

The demand for cruise-hire post-covid is reaching its capacity. Expanding the supply is essential to develop the sector.

Expanding supply could be done by introducing new operators (e.g. enticing a major international player with access to international routes-to-market and customer loyalty) and/or incentivising investment in expanding the fleet of each existing operator / introducing new models such as day boat hire.

Commercial

By developing new partnerships and strategic alliances, the value proposition could increase significantly.

Offering bundles with other touristic attractions / restaurants/ sport activities / local events could create an all-inclusive affordable vacation.

Developing new revenue streams such as chef meals, charging facilities, etc.

To achieve a sustainable growth and Climate ambitions, a national scheme (Government & Industry) is required.

Long-list of opportunities to achieve a sustainable growth

Each theme offers a variety of opportunities. Seizing opportunities within each theme can positively impact the chances of capitalising on other opportunities.

Greening the sector

Fuels options:

- HVO - a low-carbon diesel alternative biofuel (preferably from locally produced source)
- Electric boats(including retrofitting existing boats with electric engine)
- Hybrid boats (electric and diesel)
- Transition to hydrogen over the long term

Other greening opportunities:

- Retrofitting facilities
- Solar roofs

Increasing demand opportunities

- Domestic and international marketing
- Marketing IHH and the Shannon
- Promoting the sector out of season
- Attracting new segments (e.g. singles, young couples)
- New offerings (e.g. eco-tourism, adventure boats, angling, “dark sky” cruises, day tours)
- Attracting visitors from new markets in Europe and North America

Increasing supply opportunities

- Renewal of aging boats
- New marina/hubs
- Expanding existing marinas
- New operators

Commercial

- Interactive map with offerings in the area
- Offering bundles with other tourist attractions, restaurants, sport activities, local events
- Developing new revenue streams (e.g. chef meals, charging facilities)

Greening options: fuels and power alternatives (1/2)

Decarbonisation of the sector will heavily rely on policy and incentives. Six different fuel source alternatives could lead to greening of the sector: HVO, ethanol, hydrogen, electric, hybrid and solar panels. There is no single decarbonisation solution that can be applied across all boats.

Fuel option	Description	Expected costs	Implementation consideration	Leading markets/ examples
HVO	• Hydrotreated Vegetable Oil is a low-carbon biofuel that operates as a direct replacement for conventional diesel. The fuel is produced by processing renewable waste lipids from plant matter • Use of the fuel doesn't require engine modifications and pure HVO can reduce emissions by 60%-90%*	• Priced at approximately 10-15%* more per litre than conventional diesel. Supply of HVO can be limited with high demand as demand is also driven by the road transport industry	• The HVO fuel must follow the preliminary CEN standard, EN15940 paraffinic fuels, for use in diesel engines* • To avoid biological growth, the fuel tank requires surface treatment, or a plastic tank is recommended when using HVO-diesel* • Requires subsidies as HVO more expensive. In addition, volatile price	• Germany • Sweden (marina in Krossholmen) • US (San Francisco Golden Gate ferries)
Ethanol	• Ethanol, made from biomass is an additive mixed with gas to be used as a renewable energy source. Use of fuel is a topic of debate among those in boat industry	• Priced at €1.20 per litre** • Potential additional maintenance costs from water absorption damaging fuel lines	• The moist conditions from boating may separate the gas mixture which could cause the gas to be unreliable fuel source on boats and is not recommended	• Ethanol/Methanol is under consideration with Natural Boats in Netherlands using this
Hydrogen	• Hydrogen fuel has the potential to be carbon-free, producing water as a by-product of its use. Hydrogen is a viable option long-term but not yet commercially abundant/ price competitive	• Buying and installing a fuel system costs ~€100,000 with expectation to drop as the market develops	• Currently a lack of relative infrastructure for distributing the fuel • Predictions that prototypes will pave the way for a widespread rollout of hydrogen in 5-10 years	• Pilots in a variety of locations, but not in cruise boats yet. Examples: Norway, France, Belgium

*https://www.volvopenta.com/about-us/news-page/2022/jun/volvo-penta-case-study-on-hvo-fuel-in-all-demo-and-test-boats/.

Greening options: fuels and power alternatives (2/2)

The decarbonisation of the sector will heavily rely on policy and incentives. Four different options could lead to greening of the sector: HVO, electric, hybrid and hydrogen. There is no single decarbonisation solution that can be applied across all boats.

Fuel option	Description	Expected costs	Implementation consideration	Leading markets/ examples
Electric boats (including retrofitting existing boats with electric engine)	• Zero emissions electric boats and retrofitted engines provide a better experience- silence and less vibrations whilst being able to travel at the same speed as a traditional motor. Boats have chargers on board and can charge from a normal shore power plug. Marinas have metered use	• ~€500,000 to purchase an electric boat, ~€35,000-50,000 more than a diesel boat. Cost of retrofitting to an electric engine could cost will vary based on boat type but could reduce maintenance costs of traditional motor by approx. €100,000* when compared to a 20 year old boat	• Additional infrastructure required along the river facilitate boat charging. This infrastructure can be costly to implement but could enable further uptake in electric boats. With 16amp takes 16-17 hours to charge, allowing 8-9 hours of cruising, unlikely capacity at marinas for 32 & 64amp chargers	• France – 10 charging points along the river. 4 electric boats for hire.* UK have charging infrastructure in 5 marinas.* • High demand in Germany, France and UK cruising
Hybrid boats (electric and diesel)	• Dual engines power the start of the boat with diesel and then switch silently to electric. Once the battery is depleted a small generator kicks in to keep the motor spinning while recharging the batteries	• Retrofitting costs may vary based on electric motor type, battery bank and charging system • The economic viability of converting a boat to hybrid depends on the overall age and value of the boat at a particular stage	• Advantages of quiet electric cruising whilst also demanding less infrastructure in place • Could provide an immediate solution and further enable the transition to electric boats • A detailed analysis of the cost effectiveness of hybrid boats should be undertaken	• France (Natalia), UK(Barnes Brinkcraft)
Solar panels	• Solar panels offer clean energy while reducing the weight derived from fuel/batteries	• No comparable costs available for cruising boats but costs will include solar panels, installation and battery storage system	• Not enough surface area for panels on existing boats • Consideration of power requirement of boat & harsh environmental conditions	• No leading markets for cruising. Solar powered canal boats present in UK

Increasing demand opportunities (1/2)

Establishing green credentials for the sector can enhance its reputation and attract interest from Overseas Tour Operators, as well as both overseas and domestic visitors

Occupancy rate could increase from 52% (current rate) to 60-65%*. Leading opportunities to increase demand are: attracting young people, marketing and promotion in shoulder season.

Opportunity	Description	Expected costs	Implementation consideration	Leading markets/ examples
Domestic and international marketing (awareness, interest, purchase, experience, loyalty)**	• Increase awareness of what cruising entails. Create interactive map or itineraries for journey planning across different customer types highlighting nature and tourism spots, hospitality, entertainment and services along routes • Target new markets in Europe and North America	• Dependant on increased marketing budgets across social media channels and wider promotions e.g. presence with tourism board, influencer marketing, event hosting • Creative and production costs	• Target the unknown around cruising and generate interest around planning a trip • Tackle the perception of being expensive with transparency of pricing and increased information of journeys to promote value for money and loyalty • Developing a new marketing plan focussed at new entrants and new market segments and to use new and previous distribution channels that succeed in the past (i.e. ITOA)	• Guinness Storehouse • Fota Island- accommodation & wildlife • Hotel accommodation industry wide
Marketing IHH and the Shannon	• Use local attractions to entice cruisers and have cruising information readily available at attractions	• Further marketing budget across marketing channels • Creative and production costs	• Engage with Discover Ireland to promote existing content around IHH and the Shannon	• Wild Atlantic Way
Promoting the sector out of season	• Increase uptake in low seasons with special prices, corporate events, business partnerships and marketing	• Reduced revenue with special prices offered/ additional revenue if season is successful in extension	• Appeal to younger generation through reduced pricing and creating more awareness or pensioners with more flexibility. Repetition of successful promotions	• Similar to ski vacation when cheaper options are offered. Focus on young people (e.g. students) and fisheries
Attracting new segments	• Expand awareness to new customers such as young couples, engagement celebrations and other celebratory events. Events similar to the successful 'Float to the Fleadh'	• Reduced revenue with special prices offered/ additional revenue if larger groups are attracted to the industry • Investment to offer additional services	• Promote through relevant social media channels and influencer marketing • Listings on accommodation platforms e.g. Booking.com and AirBnB • More thorough training to build confidence	• Float to the Fleadh

*Based on assumptions: highest occupancy in recent year for each month + 20%, July with the same occupancy rate and August increasing the occupancy to be the same in July. Current occupancy rate assumptions: 227 boats X 36 working weeks = 8,172 potential trips per year. 2002 number of trips: 4,193. Occupancy: 4,193/8,172= 52%.

**Please see elaboration on slide 60 in appendix

Increasing demand opportunities (2/2)

Currently cruising is sold by only 3 parameters: type of boat, number of berths and number of cabins. New offerings could diversify the offer and as a result increase the demand.

Opportunity	Description	Expected costs	Implementation consideration	Leading markets/ examples
New offerings				
Cycling/hiking (eco-tourism)	• Includes hiking, cycling, wildlife spotting • Offering a customised digital brochure including cycling/hiking options for each day • Promoting boats with lower fuel consumption	• Investment in equipment e.g. bicycles and helmets, binoculars • Investment in marketing	• Mapping of existing green ways and walking trails along the way	• All markets offer similar offers. Eco tourism has not been yet been fully realised. Companies offer to hire bikes or kayaks but do not yet fully embrace this offer in terms of marketing
Bird watching (eco-tourism)	• Cater to bird enthusiasts and wildlife photographers offering a relaxing cruise along the local environment	• Change in boat design e.g. elevated deck • Equipment such as binoculars	• Provide binoculars and bird watching books	• There are currently not specific offers for bird watching
Tranquillity & wellness (eco-tourism)	• Relaxation and wellness cruise experiences and a destination for wellness retreats • "Dark Sky cruises for those seeking a serene experience	• Investment in equipment, human resource/ event management	• Wellness workshops by mindfulness practitioners • Yoga and meditation space	• None
Adventure boats	• To be used for water sports e.g. snorkelling, swimming, paddleboarding and kayaks	• Investment in adventure equipment and storage. • Safety equipment • Investment in marketing	• Purchase of high-end equipment • Partnerships with local adventure service offerings e.g. Zipit attraction • Safety considerations	• Kayaks are offered to hire in several countries (Canada, France), but the "adventure" is not marketed as so
Angling	• Provide an opportunity for individuals or small groups to spend time on fishing on the river	• Purchasing dinghy boats with/without motor • Equipment such as rods, reels and tackle for unexperienced	• Provision of equipment for beginners/ tourists • Fishing permits	• Le Boat in Ireland offers a 12ft dinghy free of charging. In other locations It could be added for a fee. Most operators don't offer that

Ecotourism is a form of sustainable travel that focuses on exploring natural environments while promoting conservation and responsible, low-impact travel practices.

Increasing supply opportunities

Increased demand will require an associated increase in supply. Both fleet size and supporting infrastructure will require expansion.

Opportunity	Description	Expected costs	Implementation consideration	Leading markets/ examples
Renewal of aging boats	• Replacing the aging boats (20+) with new boats (some brand new and some second hand 6-8 years old). New boats could potentially be 70% more economical	• New diesel boats cost €350-400k • Second hand boats are transferred from operators' prime locations (France, Germany) and costs are internal	• Promoting renewal will require public grants (~20% of price to be comparable with equivalent markets) • Requires a detailed analysis of the cost effectiveness.	• Germany, France – sell aging boats for the private sector and renew the fleet occasionally
New marina/hubs	• Appeal to a new geographic location of people by increasing their proximity to a marina or hub. Also may increase the number of locations cruisers want to dock in their trip e.g. Killaloe	• Capital costs of construction costs including equipment and staffing costs • Operation costs e.g. staff, utilities • Administration/ planning	• Availability of land and infrastructure e.g. water supply and grid connections • Financial viability • Land zoning and environmental considerations • Services in close proximity	• New marina in France which can accommodate riverboats- Aire-sur-la-Lys
Expanding existing marinas	• Additional docking space as berth marinas full in Summer	• Capital costs of construction costs including equipment and staffing costs • Administration/ planning • Insurance costs	• Does current/ expected future demand and supply of boats require an expansion • Available space and infrastructure/ remove derelict • Financial viability	• Chatham marina expansion (UK) • Swanwick marina expansion (UK)
New operators	• New operators purchase boats and potentially form partnerships with private boat owners to increase cruise boat supply	• Capital: e.g. boat purchases depending on model and size of fleet • Operational costs and staffing • Insurance costs • Marketing	• Ability to compete with existing operators • Over supply of cruise boats • Maintenance of current high standards of operators	• There is a trend of consolidating operators in the sector. However, attracting an international operator could be an option

Commercial opportunities

Collaboration with other entities such as Local Authorities, Waterways Ireland, tourist attractions and hospitality will enable new commercial opportunities for the sector.

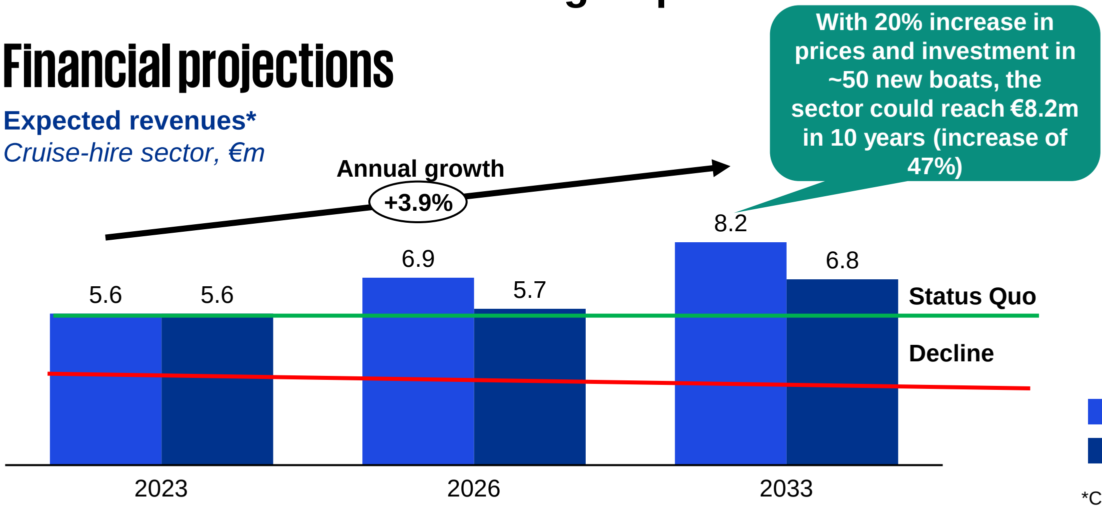
Opportunity	Description	Expected costs	Implementation consideration	Leading markets/ examples
Interactive map with offerings in the area Shannon-Erne	• Map including attractions, restaurants, pubs, sights to see and activities enabling cruisers to easily expand their itineraries throughout their journey and make stops they may have not have considered, potentially increasing rental periods	• Creation and graphic design of map, together with Local Authorities, Waterways Ireland and Fáilte Ireland • Marketing of product • Local tourism development should be done alongside local authorities	• Offerings varying on weather so cruisers can change plans-weather notifications • Additional promotion and information around attractions/ restaurants that offer bundles with the cruising sector • Tourism asset development	• Waterways Ireland Royal Canal Greenway guide is an interactive guide on the 130km of towpath with a downloadable PDF • Caley Cruisers Navigational Chart
Offering bundles with other tourist attractions, restaurants, sport activities, local events	• Building relationships with attractions and restaurants named within the interactive map. Both reduces prices for consumers and may create additional demand from the attractions/ restaurants	• Reduction in profit margin of bundles products	• Cover range of cruisers needs e.g. affordable family bundles for budget-conscious • Applicable times e.g. 4-6pm discounted dining. Quantities e.g. family of 4 • Connectivity with land e.g. shuttles/ water taxi	• Discover the Shannon highlights attractions, food and entertainment but without bundles • No leading markets in the cruising space
Developing new revenue streams	• Use the demand based opportunities to widen offerings of cruise sector e.g. adventure boats and wellness • Trip planning for including arrangement with bundled attractions/ restaurants • Provision of charging facilities (WI and FI) • Retrofitting – engineers	• Staffing • Events management • Investment in equipment • Investment in charging infrastructure (WI and FI) • Engineer's salary or partnership with independent engineer	• Variety and frequency of diversified/ event boats • Bundled price transparency for planned trips, similar to package holiday offering • Act as market leader of retrofitting engines, leading by example and offer services to private boat owners	• Westport House (bundling example with restaurants and attractions) • Many accommodation providers offer associated activity packages

A sustainable growth: projections and risks

To achieve a substantial increase in revenues, it will be necessary to raise prices (~20%) in order to secure the financing required for essential changes.

Financial projections

Expected revenues*
Cruise-hire sector, €m



	2023	2026	2033
No. of boats	227	234	278
No. of visitors (k)	18.4	19.0	22.6

*Calculated based on turnover per boat data received from operators (confidential) and no. of boats projections

Risk matrix

Legend	High	Medium	Low

Category	Risk	Consequence	Impact	Probability	Mitigation
Funding	A lack of funding from government to facilitate greening schemes due to prioritisation or recession.	Relying only on operators' internal sources will result in low motivation to develop and green the sector.	High	High	Funding risk sits largely outside the control of FI, but it can exert its influence to help secure funding. Demonstrate value for money of preferred scenario to progress and ensure prioritisation of funding.
Resources	Operators will have insufficient resources internally to take actions on greening, marketing and fleet renewal.	Aging boats, decrease in number of visitors and decline in revenues.	High	High	Support operators to prepare a detailed business plan with appropriate levels of designated resources assigned.
Cost risk	Costs exceed projections particularly around purchasing new boats, fuels alternatives (electric, HVO etc) and marina construction.	Stakeholders do not proceed with their investments and lack of development.	Medium	Medium	Secure prices by binding agreements where possible and engage with the government to increase support if required.
Technology	Electrification does not become economic, hydrogen doesn't mature.	Continued use of diesel and not achieving sector targets.	Medium	Low	Follow the developments in the sector and invest in variety of solutions (e.g. not only electrification).

*Based on assumption of 18.5 operating weeks per boat per year, average turnover (provided confidentially by operators), ~ €250k for a new boat and ~ €150k for a used boat. A mix of 30% new boats and 70% used boats.

6.

Recommended actions and viability assessment

Recommended actions and viability assessment

Background

The section provides recommendations regarding the growth and greening of the cruise hire sector. Building on the previous section about sector scenarios and drawing from the insights gained through sector analysis and international case studies, recommendations have been outlined around three themes: fleet, infrastructure, and segments.

Fleet

Recommendations for rejuvenating and expanding the cruise hire fleet and addressing the Climate Action Plan targets include:

- To achieve expansion goals, it is advisable to consider a ~20% increase in trip prices and secure operators' commitment to invest in fleet renewal.
- Consider subsidising 30 cents per litre for HVO over a three-year period to address short-term environmental objectives.
- Launching a national scheme (similar to PAMI in France) to include the cruise hire sector, as currently, there are no national schemes in place or to utilise the Just Transition funding scheme to support the cruise sector to develop alternative experiences. However, obtaining funding will require engagement with the government and depend on available resources.
- To stay abreast of the potential for hydrogen as a potential fuel source, closely monitor developments and consider implementation as a priority when appropriate. While hydrogen may not yet fully address the sector's current needs, it could become more relevant in the coming years.

Infrastructure

To facilitate the transition to electric boats, engaging with charging infrastructure businesses (e.g., Aqua Super Power) is necessary. It is recommended to initiate this by establishing five charging hubs along the Shannon, with plans to expand to ten hubs over a decade.

It is worth noting that in addition to facilitating boat charging, providing overnight shore power is important. This will help avoid the need to run diesel engines overnight, which currently occurs quite often.

To address expected rising demand, expanding the capacity at three existing marinas (Athlone Marina, Hodson Bay Marina, and Dromineer Harbour) is required. This endeavour will necessitate support from the government and stakeholders for execution and will involve a more detailed feasibility assessment.

The section also advises supporting operators in preparing retrofitting plans by providing them with mentorship. Retrofitting actions could encompass solar roofs, lighting, heating, ventilation, etc., and may require professional consultancy.

Segments

Fáilte Ireland could support operators in reaching out to new segments and assist in preparing new offerings. However, the success of most actions depends on the willingness of cruise hire operators. Fáilte Ireland could provide mentorship to help operators prepare marketing strategies for new offerings and new revenue streams. Ideas from this report could be shared to encourage the introduction of new services, such as the Adventure Boat concept (a boat capable of carrying equipment like bikes, kayaks, paddleboards) or boats equipped for ornithology or nature watching. Operators could also consider providing visitors with Food, Heritage, and Cultural tours to further explore the lake both on and off the water.

Recommended actions and viability assessment

Segments (cont')

Fáilte Ireland could facilitate B2B meetings to promote bundles and cooperation between operators and tourist attractions, restaurants, and pubs in the region. Additionally, Fáilte Ireland could focus its IHH (Ireland's Hidden Heartlands) marketing on specific themes like ecotourism, the cruise and cycle experience, and experiencing Ireland's heritage from the water. Providing mentorship to operators to develop a range of related offerings is also recommended. Collaboratively, Fáilte Ireland, Local Authorities, and Waterways Ireland can create an interactive map that provides visitors with useful information.

Commitments from stakeholders

To achieve enduring growth in the sector, it is essential for all stakeholders to exhibit unwavering dedication and promote cooperative endeavours among themselves. The section concludes by elaborating on the key stakeholders and the steps they can undertake to foster the expansion of the cruise hire sector.

Recommended actions and viability assessment (1/3)

High viability (green) · Mid viability (yellow) · Low viability (red)

Achieving the objectives of growth and greening will require broad collaborations, new projects and utilising existing resources.

A sustainable growth					
	Actions	**Funding and investments**	**Sustainability and decarbonisation**	**Viability assessment**	
Fleet	**Renewal:** Working with operators to **develop a business plan**	~**20% increase in prices** along with operators' commitment to **invest in renewal**. A dynamic pricing model should also be considered	New boats are **up to 70% more efficient**	High (green)	Operators are open to discussion
Fleet	**HVO:** Short term (3 years) – offer subsidies of 30c per litre HVO	Agreement on HVO subsidies (with IBRA, The Department of Tourism and DoF)	Decrease of 60%-93% in Co2	High (green)	All stakeholders are interested
Fleet	**Greening: Launch a national scheme** (e.g. PAMI in France) or identify ways to utilise Just Transition funding to support development of alternative experiences	• Liaise with the government to **develop a new fund to support greening** the cruise hire sector	• **Hybrid/electric** (~25% of new boats) • **Retrofitting** (~ 25% of existing fleet) • Use of alternative fuels to power boats	Mid (yellow)	Requires funding resources
Fleet	Follow the developments of **hydrogen** and consider implementation as necessary	Publish an annual report on fuel alternatives developments	Long term potential: 100% decrease in emissions	High (green)	Not mature yet

Recommended actions and viability assessment (2/3)

High viability
Mid viability
Low viability

Achieving the objectives of growth and greening will require broad collaborations, new projects and utilising existing resources.

A sustainable growth					
	Actions	**Funding and investments**	**Sustainability and decarbonisation**	**Viability assessment**	
Infra	• Engage with **charging infrastructure** companies (e.g. Aqua Super Power).* Begin with 5 charging hubs along the Shannon, and expand to 10 hubs over a decade	No required investments for charging infrastructure	**Hybrid/electric** (~25% of new boats)	High viability	The private market is ready to contract and to make the required investments
	• **Expanding capacity** at 3 existing marinas, starting with the marina in Athlone, Hodson Bay marina and Dromineer Harbour afterwards • Engage with the government and stakeholders to gather support • Undertake more detailed feasibility assessment	Costs to be determined by a detailed assessment	No expected impact	High viability	WI experience delivering historically
	• Support operators to prepare **retrofitting plans** by providing **mentorship** • Retrofitting actions could include: solar roofs, Lighting, heat, ventilation etc.	• SEAI's **Community Energy Grant Scheme** • **Non Domestic Microgen** (solar panel installation) • **EXEED** (energy projects including new design and major renovations and energy upgrades)	A 25-50% saving is common	Mid viability	Relatively easy to execute, but not operators' priority

*All cruise hire bases would need substantial charging infrastructure as all boats would need to be recharge before commencing a voyage. In addition, suitable charging hubs in strategic locations and more chargers at hot spots and smaller lower KW chargers for top up at other locations.

Recommended actions and viability assessment (3/3)

High viability
Mid viability
Low viability

Achieving the objectives of growth and greening will require broad collaborations, new projects and utilising existing resources.

A sustainable growth					
	Actions	**Funding and investments**	**Sustainability and decarbonisation**	**Viability assessment**	
Segments	• Supporting operators to **prepare a marketing strategy** for **new offerings** and **new revenue streams.** E.g., offer an 'Adventure Boat' concept - a boat that can take equipment like bikes, kayaks, paddle boards, other boats equipped for ornithology or nature watching or bring visitors on Food, Heritage and Cultural tours to further explore both on/off water • Facilitate B2B meetings to **promote bundles** and cooperation	A small scale funding and professional advice (up to a max of €X/Y%)	Cruise-hire is considered a sustainable vacation, close to nature and slow tourism. However, the sector needs to replace pollution fuels with alternative fuels.		Operators are open to local cooperations A professional advice should lead to a fast growth
	• **Marketing IHH across specific themes** • Provision of mentorship to operators to develop a range of related offerings. • FI, together with LAs and WI, create an **interactive map**	• Marketing costs and provision of a mentor. • Creation and graphic design of map and promotion.			A combined effort of FI, WI and LAs: • FI to lead the marketing • Operators to develop theme offer • LAs and WI to cooperate on the map
	Promote through relevant social media channels and influencer marketing to attract new segments, focus on **young generation**	Marketing costs and a small scale funding			Attracting new segments require a shift in ~50 years old businesses. It is not on operators' priority lists yet but the change is feasible and required

Commitments from stakeholders

To attain sustainable growth in the sector, it is imperative for all stakeholders to demonstrate unwavering commitment and foster collaborative efforts among themselves.

	Fleet	Infra	Segments
Fáilte Ireland	• Provision of mentor/consultant to operators to prepare a business plan	• Provision of mentor/consultant to operators to prepare a facilities' retrofitting plan	• Marketing IHH across specific themes (e.g. adventure, cycling, bird watching) • Facilitate B2B meetings amongst operators and visitor attractions. • Provision of mentorship to operators to develop a range of new offerings and new revenue streams • Lead (including funding) on developing an interactive map relevant to cruisers, together with WI and LAs
Waterways Ireland	• Working with the sector to facilitate development of innovative day boat tour experiences (multiple days/alternative experiences, different pick up and drop off points on the Shannon)	• Lead on charging infrastructure instalment. • Being involved in developing the cruise-hire hubs	• Cooperate on the interactive map
Local authorities	• n/a	• Planning and zoning	• Cooperate on the interactive map
Other government bodies	• Launch a national greening scheme	• Funding marinas' expansion	• n/a
Operators and IBRA	• Prepare a business plan for fleet renewal, including selling off old boats and transition to electric boats/ hybrid. • Lead on HVO agreement and secure subsidies	• Prepare a retrofitting plan	• Develop a plan with new offerings and new revenue streams • Participate in B2B meetings with visitor attractions to develop new bundles • Integrate the interactive map on the company's website

7.
Roadmap for the sector

Roadmap for the cruise hire sector

Background

The section outlines a clear roadmap for the future sustainable development, diversification, and eco-friendly transformation of the cruise hire sector in the coming decade. The section commences with the proposed Vision: *A sustainable sector featuring vessels powered by alternative fuels, attracting a broader range of visitors and diverse audiences.* It subsequently delineates the Ambition: *Fáilte Ireland, in collaboration with cruise hire stakeholders, will establish robust platforms and allocate the necessary resources to facilitate sector growth and environmental sustainability.* The fundamental drivers of growth in the cruise hire sector encompass the fleet, infrastructure, and market segments. For each of these components, a set of transparent and attainable objectives is defined.

Next Steps

This section offers guidance on recommended actions to be taken within the next two years. These actions will create momentum for the development and environmental enhancement of the sector. Key steps include:

- Assisting operators in formulating business plans with the aim of increasing revenue generated from boats and promoting higher investment in boat renewal.
- Collaborating with pertinent stakeholders to establish funding mechanisms for fleet rejuvenation and eco-friendly upgrades (e.g., HVO, retrofitting, and solar roofs).
- Entering into contracts with a charging infrastructure company to install charging facilities along the Shannon.
- Conducting a comprehensive assessment of the expansion possibilities at Athlone marina, Hodson Bay, and Dromineer Harbour.
- Planning for long-term aspirations and initiating the implementation of new offerings and revenue streams.
- Preparing a marketing strategy focused on raising awareness, generating interest, stimulating purchases, enhancing the visitor experience, and fostering customer loyalty among both domestic and international visitors.
- Coordinating with local authorities and Waterways Ireland to develop an interactive map for the sector.

KPIs for the Sector

This section outlines Key Performance Indicators (KPIs) for the next 10 years, along with the respective target years for achieving these KPIs. These KPIs serve as valuable tools for tracking progress and implementation over time. Indicators encompass factors such as the number of boats, adoption of greener technologies (such as electric and hydrogen-powered vessels), marketing efforts, and more.

Roadmap for the Sector

This section presents an indicative implementation roadmap spanning enablers and actions for the next 10 years. The roadmap delineates essential actions within the three key enablers: fleet, infrastructure, and market segments. The timeline is divided into three distinct periods: 2024-2025, 2026-2028, and 2029-2033.

Potential Resources

The section concludes with a list of potential resources for implementation. It's important to note that there is currently no dedicated fund for the cruise sector in Ireland. Nonetheless, there are several existing funds that could potentially support some of the recommended actions. While the JTF guidelines outline that the 'purchasing of new boats' is not an 'eligible project type' within the funding scheme, but that does not exclude the sector from looking to the JTF (Private SME & Community Scheme) to support it to 'pivot to an alternative experience' or support the current offering. The programme presents numerous opportunities for the sector, including Digital Transformation, Accessibility, Experience development and new Accommodation. It also offers assistance in developing and preparing future plans.

The future Irish cruise-hire sector

Vision: A sustainable sector with boats powered by alternative fuels, attracting an increased number of visitors and diverse audiences

Ambition: Fáilte Ireland, in partnerships with the cruise hire stakeholders, will establish robust frameworks and allocate necessary resources to facilitate the sector growth and greening

Key enablers for growth in the cruise-hire sector

1. Fleet
2. Infrastructure
3. Segments

Objectives

Fleet
- 20% growth in the number of boats
- Renewal of 36% of the existing fleet
- 25% retrofitted

Segments
- New audiences, mainly young adults
- New offerings and revenue streams
- Out of season demand

Linkages to the surroundings
- An interactive map for marketing visitor attractions and useful information

Energy Source
- HVO short term
- Electric as main source
- Hydrogen long term when readily available

Infrastructure
- Athlone marina expansion. Hodson Bay and Dromineer afterwards
- Charging network
- Retrofitting facilities

Partnerships
- Partnerships with public bodies and
- LAs to attract visitors and develop the sector
- Partnerships with local businesses

The regenerative tourism approach

In pursuit of sustainable growth within the cruise hire sector, adopting a regenerative tourism approach is paramount.

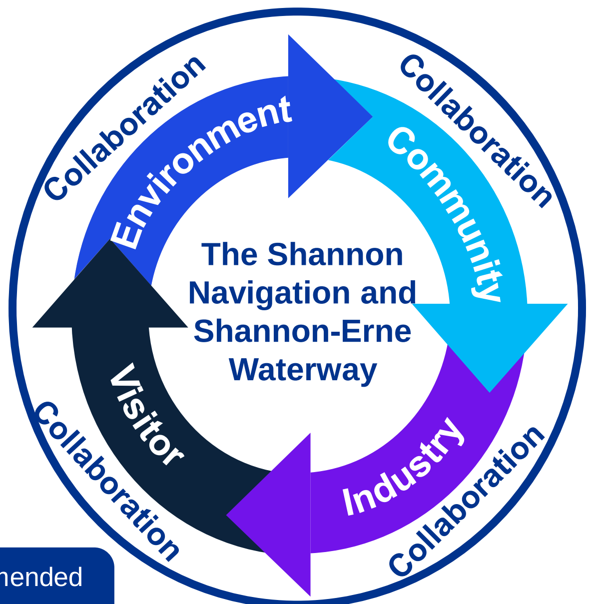
The regenerative tourism approach revolves around placing the destination, the Shannon Navigation and Shannon-Erne Waterway, at the heart of the tourism model and striving to deliver a net positive benefit for all stakeholders, including the environment, local communities, industry players, and visitors. Central to this strategy is a foundation of partnership and collaboration.

Within the scope of this approach, two key opportunities stand out as pivotal for the sector's development: Greening and Targeting new segments.

Greening

A vital aspect of regenerative tourism is the decarbonisation of the sector. This involves implementing innovative solutions such as electric boats and harnessing hydrogen as a primary source of power. However, greening encompasses more than merely reducing carbon emissions; it also entails enhancing the eco-tourism experience. Collaboration with iconic attractions along the navigation routes and the towns situated along the Shannon-Erne Waterway is integral to this approach.

The objectives of this work and the recommended actions are driven by UN Sustainable Development Goal No. 13 Climate Action



Targeting new segments

To ensure sustained growth, the cruise hire sector must broaden its appeal and attract new market segments. This necessitates a transformation of the cruise hire value proposition to incorporate novel forms of regenerative tourism experiences, which immerse visitors in unique and enriching encounters. To meet diverse experiential expectations, it is imperative for the sector to embrace innovation and creativity, exploring opportunities for offering fresh, compelling experiences both on and off the water.

*Goal 13: Climate action, UN

Recommendations on actions and activities

In order to pursue sustainable growth, actions need to be taken towards fleet renewal and expansion, enhancing infrastructure, and attracting new segments through product diversification and improved marketing strategies.

Fleet renewal and expansion	Infrastructure	Segments
• **Renewal:** Working with operators to **develop a business plan: ~20% increase in prices** along with operators' commitment to **invest in renewal**	• **Greening:** Engage with **charging infrastructure** companies (e.g. Aqua Super Power) to install charging infrastructure	• Supporting operators to **prepare a marketing strategy** for **new offerings** and **new revenue streams**
• **HVO:** Short term (3 years) – offer subsidies of 30c per litre HVO: Agreement on HVO subsidies (liaise with IBRA, The Department of Tourism and DoF)	• **Expanding capacity** at 3 existing marinas: Liaise with government and stakeholders to gather support and undertake more detailed feasibility assessment	• Facilitate B2B meetings to **promote bundles** and cooperation
• **Launch a national scheme** (like PAMI in France) to include the cruise hire sector and support fleet renewal and greening or utilise Just Transition funding to support alternative experience development	• Retrofitting: Support operators to prepare **retrofitting plans** by providing **mentorship.** Retrofitting actions could include: solar roofs, Lighting, heat, ventilation etc	• **Marketing IHH across specific themes** and provision of mentorship to operators to develop a range of related offerings
• Follow the developments of **hydrogen** and consider implementation as necessary: Publish an annual report on fuel alternatives developments		• FI, together with LAs and WI, create an **interactive map**
		• Promote through relevant social media channels and influencer marketing to attract new segments, focus on **young generation**
		• Establish green credentials to enhance reputation and attracting interest from overseas tour operators and overseas/domestic visitors

Recommendations for fleet renewal and expansion and for infrastructure are driven by the sector's needs and aligned with the UN's Sustainable Development goals (Goal No. 13 - Climate Action: Take urgent action to combat climate change and its impacts)

Next steps

Immediate actions undertaken in the first 24 months will generate momentum for developing and greening.

Enabler	Short-term (24 months)
Fleet	• Develop a **business plan** with the objective to increase turnover from boats, as well as increased investment in boat renewal. Detailed analysis of the cost effectiveness of renewal options, including purchasing electric boats and transition to hybrid boats. • Liaise with IBRA, The Department of Tourism and DoF to implement subsidies towards HVO (~30c per litre) over the next 3 years. • Alongside the Department of Tourism and/or Department of Transport and the Department of Finance consider a **national scheme** offering grants for electric boats, retrofitting and solar roofs. • Implement ongoing developments as the market continues to mature, publishing an annual report on fuel alternatives. Continue to consider other best practices by international peers. • Working with the sector to facilitate development of innovative day boat tour experiences (WI lead).
Infrastructure	• Contract with a **charging infrastructure** company to install charging facilities along the Shannon. • Undertake a **detailed assessment of the expansion** of Athlone marina, Hodson Bay and Dromineer Harbour, and develop business case in line with Public Spending Code. • Enhance management capacity and the enforcement of bay rules. • Provide a **retrofitting consultant to support operators** in their retrofitting plans e.g. solar panel roofs. An available consultant will help plans to materialise and encourage retrofitting activity.
Commercial	• Plan for long term ambitions and begin to **implement some of the new offerings and new revenue streams.** For example, offer Day Boat Tour/Adventure Boat concept - A boat that can take equipment like bikes, kayaks, paddle boards, other boats equipped for ornithology or nature watching or bring visitors on Food, Heritage and Cultural tours to further explore the lake both on/off water. Prepare a **marketing strategy focusing on awareness, interest, purchase, experience and loyalty of domestic and international visitors**. • **Marketing IHH across themes** e.g. ecotourism and bird watching. • Facilitate **B2B meetings to arrange bundle offerings** and co-ordination between operators and attractions. • Coordinate with local authorities and Waterways Ireland to develop an **interactive map** for the sector. • **Increased promotion on relevant social media channels, influencer marketing** and presence on accommodation platforms e.g. AirBnB to attract younger generation. Target themes through paid advertisements/ SEO e.g. celebratory events. • Establish green credentials for the sector.

KPIs for the sector

KPIs will act as a means of tracking progress against the suggested actions.

Theme	KPI	Time target	
Fleet	20% growth in no. of boats (~270 boats)	10 years	2033
	25% of new boats are hybrid/electric	10 years	2033
	25% retrofitting of existing boats	10 years	2033
	A well-defined business plan by the 3 operators. Business plan to include fleet renewal plan	1.5 year	2025
	A HVO agreement between relevant stakeholders	0.5 year	2024
	Introduction of a national scheme to support greening the sector	1.5 year	2025
	An annual report on fuel alternatives developments	From 2025	Each year
Infrastructure	An agreement with a charging infrastructure company to install chargers	1 year	2025
	5 charging points along the Shannon, 10 charging points along the Shannon	3 years, 6 years	2026, 2029
	Marina expanding in 3 locations	6 years	2029
	A new cruise-hire hub	5 years	2028
	Mentor provided to operators to prepare retrofitting plans of facilities	1 year	2025
	Facilities retrofitting has been completed within 3 operators	5 years	2028
Segments	A well-defined marketing strategy by the 3 operators	1.5 year	2025
	At least 3-5 B2B agreements for each operator with local business	2 years	2026
	An interactive map with X annual traction (To be determined by FI)	2 years	2026
	At least 25% of visitors are aged 18-34	5 years	2028

Roadmap for the cruise-hire sector (1/3)

Indicative implementation roadmap for the cruise hire sector over the next 10 years.

	Action	Steps	Lead	Support	KPI	Timeframe
Fleet	Fleet development	Work with operators to develop business plans	Fáilte Ireland	IBRA	A well-defined business plan by the 3 operators	2025
		Assess price competitiveness of existing offer vis-à-vis other markets and consider potential for higher prices	Operators	Fáilte Ireland, IBRA	Part of the business plan of each operator	2025
		Monitor performance and increased investment	Operators	Fáilte Ireland, IBRA	20% growth in no. of boats (~270 boats)	2033
		Invest in fleet renewal	Operators	Fáilte Ireland, IBRA	20% growth in no. of boats (~270 boats)	2033
		Working with the sector to facilitate development of innovative day boat tour experiences	Waterways Ireland	Fáilte Ireland, IBRA	TBD by WI	TBD by WI
	Promoting greening by alternative fuels and power sources	Liaise with IBRA, The Department of Tourism and DoF to explore the potential for subsidies in relation to HVO	Fáilte Ireland	IBRA, The Department of Tourism, DoF	A HVO agreement between relevant stakeholders	2024
		Liaise with DoT / Department of Tourism/ SEAI to launch a national scheme to include the cruise hire sector	Fáilte Ireland	DoT, Department of Tourism, SEAI	Introduction of a national scheme to support greening the sector	2025
		Support the transition to electric boats by providing grants (by government bodies)	Government bodies	IBRA	• 25% of new boats are hybrid/electric • 25% retrofitting of existing boats	2033
		Regularly track the developments of hydrogen and consider implementation as necessary	Fáilte Ireland	Waterways Ireland	An annual report on fuel alternatives developments	Each year (from 2025)

Roadmap for the cruise-hire sector (2/3)

Indicative implementation roadmap for the cruise hire sector over the next 10 years.

	Action	Steps	Lead	Support	KPI	Timeframe
Infrastructure	Marina expansion	Develop feasibility study/ business case in line with Public Spending Code, CDP zoning and STMP	Fáilte Ireland	Waterways Ireland, LAs	A completed feasibility study	2025
		Undertake commercial planning and obtain relevant approvals	Waterways Ireland	LAs	Received relevant approvals	2026
		Align on procurement and Initiate construction	Waterways Ireland	n/a	Marina expansion in 3 locations	2029
		Enhance management capacity and bay rules law enforcement	Waterways Ireland	n/a	TBD by WI	Ongoing
	Charging infrastructure	Consult with EPA,WI and Eirgrid regarding infrastructure impact	Fáilte Ireland	EPA,WI, Eirgrid	Completed consultations	2025
		Contract with a charging infrastructure company	Waterways Ireland	Fáilte Ireland, LAs, IBRA, sector operators	An agreement with a charging infrastructure company to install chargers	2025
		Install ~5 charging points (on water) along the Shannon	Waterways Ireland (Lead the contract with a private provider)	Fáilte Ireland, LAs, IBRA, sector operators	Installed 5 charging points along the Shannon	2026
		Install additional ~5 charging points along the Shannon			Installed 10 charging points along the Shannon	2029
	Facilities retrofitting	Provide mentorship for operators to prepare retrofitting plans	Fáilte Ireland	IBRA	Mentor provided to operators to prepare retrofitting plans of facilities	2025
		Support operators in achieving funding from existing schemes	Fáilte Ireland	IBRA	Operators receive funding for retrofitting	Ongoing
		Implement the retrofitting plan	Operators	IBRA	Facilities retrofitting has been completed within 3 operators	2028

Roadmap for the cruise-hire sector (3/3)

Indicative implementation roadmap for the cruise hire sector over the next 10 years.

	Action	Steps	Lead	Support	KPI	Timeframe
Segments	New offerings and revenue streams	Facilitate B2B meetings between operators and businesses	Fáilte Ireland	LAs, IBRA	At least 3-5 B2B agreements for each operator with local business	2026
		Evaluate performance and identify additional streams	Operators	IBRA	At least 25% of visitors are aged 18-34	2028
		Support operators to develop a marketing strategy and plans with new offerings and new revenue streams	Fáilte Ireland	IBRA	A well-defined marketing strategy by the 3 operators.	2025
	Marketing IHH across specific themes	Develop brand identity and goals	Fáilte Ireland	n/a	A well-defined brand identity and goals	2025
		Establish social media presence/ campaigns with influencers	Fáilte Ireland	n/a	Established social media presence/ campaigns	Ongoing
		Monitor performance, make adjustments and repeat successful campaigns, keeping up to date with emerging trends	Fáilte Ireland	n/a	Increased number of visitors in the IHH area	Ongoing
		Engage with LAs and WI, create an interactive map	Fáilte Ireland	LAs, Waterways Ireland	An interactive map with X annual traction (To be determined by Fáilte Ireland)	2026

Potential resources for implementation (1/3)

There is no dedicated fund for the cruise sector in Ireland, however the European Commission's Just Transition Funds could be relevant for greening the sector.

Funding Initiatives				
Funding source	**Name of programme**	**Total budget**	**Period**	**Description of funding**
Specific grants				
European Commission	**Innovation Fund for small scale projects**	€100m (IE)	2023	Funding programme for the deployment of innovation low-carbon technologies. Grant funding to projects with expenditure between €2.5m-€7.5m in the areas of renewable energy, decarbonisation, energy storage and carbon capture and storage.
European Commission	**Ireland's Territorial Just Transition Fund**	€84.5m (€169m with national co-financing) (IE)	2021-2027	The Fund seeks to support regions and communities most negatively affected by the transition to climate neutrality. Aims to address the employment, economic, social and environmental impacts that come from the shift away from carbon-intense activities. The Irish Government will match fund, resulting in up to €169m available.
European Commission	**Just Transition Fund: Regenerative Tourism Scheme**	€68m (IE)	2023-2026	As part of the €169m Just Transition Fund for 2023-2026 Fáilte Ireland has been awarded €68m for a Regenerative Tourism Scheme to invest in the sustainable development of tourism in the Midlands. the JTF guidelines outline that the 'purchasing of new cruise hire boats' is not an 'eligible project type'. However, the sector could benefit from the JTF (Private SME & Community Scheme) to 'pivot to an alternative experience' or support the current offering. The programme presents numerous opportunities for the sector, including Digital Transformation, Accessibility, Experience development and new Accommodation. It also offers assistance in developing and preparing future plans.
SEAI	**Community Energy Grant- National Retrofit Programme**	Up to €5m grant per application	2023	Grant aimed at upgrading building stock and facilities to high standards of energy efficiency and renewable energy usage. All projects applying for funding should be community orientated, include a cross-sectoral approach and demonstrate an ability to sustainably finance the proposed project.
European Union	**Innovative actions**	€120m. Up to €5m per project	2023	"Sustainable tourism" projects to support the long-term green and digital transformation and resilience of the tourism ecosystem.

Potential resources for implementation (2/3)

A number of smaller funds may also be relevant in greening (Greenways and national road funding) and promoting the cruise hire sector (Outdoor Recreation Infrastructure Scheme).

Funding Initiatives				
Funding source	**Name of programme**	**Total budget**	**Period**	**Description of funding**
General related grants				
SEAI	**EXCEED**	Up to €3m per project	2023	The grant scheme is designed for organisations who are planning an energy investment project. Up to €3m per project is available for projects following the EXEED Certified standard for Excellence in Energy Efficient Design.
Transport Infrastructure Ireland (TII)	**Greenways and national road funding**	€676m	2022	Annual funding allocated to local authorities. Local authorities have the assigned responsibility for Greenways. Approx €60m has been allocated to 40 Greenway projects in 2022, covering the majority of counties in Ireland. The funding will also support extensions of the Grand Canal Greenway.
Department of Rural and Community Development	**Walks Scheme**	€2.4m	2023	As part of Embracing Ireland's Outdoors- National Outdoor Recreation Strategy 2023-2027, €2.4m has been allocated to facilitate 70 new walking trails developed across the country to boost outdoor recreation and rural tourism.
Local Authority Waters Programme	**Community Water Development Fund**	€520k	2023	Supports community groups to enhance the quality of streams, rivers, lakes and coastal areas. Projects include river clean ups, biodiversity and enhancement of wetlands.
Department of Rural and Community Development	**Outdoor Recreation Infrastructure Scheme**	Up to €500,000	2023-2027	Part of National Outdoor Recreation Strategy 2023-2027, the Outdoor Recreation Infrastructure Scheme provides funding for recreational amenities such as blueways and greenways, across 3 measures ranging from small scale development and promotion (€20,000 grant) and promotion up to large scale upgrades and new strategic amenity development (€500,000 grant).

Potential resources for implementation (3/3)

A number of smaller funds may also be relevant in greening (Greenways and national road funding) and promoting the cruise hire sector (Outdoor Recreation Infrastructure Scheme).

Funding Initiatives				
Funding source	**Name of programme**	**Total budget**	**Period**	**Description of funding**
		General related grants		
SEAI	**Non Domestic Microgen**	Up to €2,400	2023	Up to €2,400 available towards the installation of solar PV for businesses. Grant amount received is based on the standard output of the solar PV system.. A maximum of 6kWp can be grant funded through the scheme.
Westmeath County Council	**Festival & Event Grant Scheme**	-	2023	Purpose of the scheme is to encourage and promote local events, particularly those which may result in being annual events within the County. Funded events should generate increased economic and community activity.

8.

Appendices

Appendices

Demand Generation Marketing

Generating demand throughout the customer journey, from awareness to the product until loyalty and repetitiveness.

	Awareness	Interest	Purchase	Experience	Loyalty
	• Increase awareness of Ireland Cruise Holidays by targeting both domestic and international visitors	• Go to website • Related Keywords search (Google or Instagram or YouTube or TikTok)	• Check details of tickets • Q&A: Customer support for purchasing tickets	• Receive tickets	• Look forward to next time • Recommend the vacation to others
	• Browsing social media channels with holidays or vacation keywords. • Read reviews on social media posts or travel websites. • Public transport advertisements (e.g. Luas, DART, Dublin bus) ✓ • Local TV or radio advertisements ✓ • Social media - targeted Instagram and Facebook ads. • Advertisements on international travel agencies' websites.✓ • Advertisements on international travel platforms.✓	• Website page • Google SEO results • Social media searches • Physical site presence (e.g. travel agencies)	• Website 'purchase' page • FAQ page • Customer support • 3rd party ticket sellers Physical site presence	• Website 'my account' page • Customer support • Email • 3rd party ticket sellers	• Post- holiday survey via email • Mailing list and regular updates • Social media updates • Loyalty program • Special offers

Domestic visitors

✓ Touchpoint specific to domestic visitors cohort

International visitors

✓ Touchpoint specific to international visitors cohort

MCA results (1/3)

Multi Criteria Analysis suggests that Athlone marina is the most suitable for expansion. However, new hub development is considered as a second priority.

Theme	Criterion	Weighting (%)	Shannon Harbour		Athlone Marina		Terryglass Harbour		Dromineer Harbour		Hodson Bay Marina	
Demand (35%)	No. of cruisers in the area	15%	8	Boat traffic at the nearest lock – Victoria Lock is 25,784	13	Boat traffic at the nearest lock – Athlone Lock is 27,506	3	Boat traffic at the nearest lock – Portmuna Bridge is 28,688	3	Boat traffic at the nearest lock – Sarsfield Lock is 208	13	Boat traffic at the nearest lock – Termonbarry Lock is 19,525
	Proximity to other marinas	10%	5	Banagher Marina is closest to the site at a distance of 3.8 kms	2	Unknown Marina is closest to the site at a distance of 4.6 kms	3	Portmuna castle Harbour is closest to the site at a distance of 2.8 kms	7	Dromaan Harbour is closest to the site at a distance of 4 kms	9	Quigleys Marina is closest to the site at a distance of 4.2 kms
	Proximity to tourist locations/attractions	10%	2	No of visitor locations within 5 kms is 3	7	No of visitor locations within 5 kms is 76. This figure is significantly higher than that of other marinas.	3	No of visitor locations within 5 kms is 4	5	No of visitor locations within 5 kms is 10	3	No of visitor locations within 5 kms is 4
Technical feasibility (35%)	Good connectivity with road and rail	10%	4	Accessible via local road, R357 is the nearest major road (2.34 kms), and served by the nearest rail Ballinasloe railway (26.6 kms)	7	Accessible via local road, N6 is the nearest major road (1.42 kms), and served by the nearest rail Athlone Train station (597 m)	6	Accessible via local road, R493 is the nearest major road (704 m), and served by the nearest rail Cloghjordan Railway station (23 kms)	7	Accessible via local road, R495 is the nearest major road (198 m), and served by the nearest rail Nenagh Railway Station (10 kms)	6	Accessible via local road, N61 is the nearest major road (1.59 kms), and served by the nearest rail Athlone Train station (5.2 kms)

MCA results (2/3)

Theme	Criterion	Weighting (%)	Shannon Harbour		Athlone Marina		Terryglass Harbour		Dromineer Harbour		Hodson Bay Marina	
Technical feasibility (35%)	Suitable conditions on the water	12.5%	11	On a call with Brian Treacy agreed water depth conditions and wave conditions at all locations are considered to be potentially suitable for further marina development subject to detailed technical studies focused on expansion site area	11	On a call with Brian Treacy agreed water depth conditions and wave conditions at all locations are considered to be potentially suitable for further marina development subject to detailed technical studies focused on expansion site area	11	On a call with Brian Treacy agreed water depth conditions and wave conditions at all locations are considered to be potentially suitable for further marina development subject to detailed technical studies focused on expansion site area	11	On a call with Brian Treacy agreed water depth conditions and wave conditions at all locations are considered to be potentially suitable for further marina development subject to detailed technical studies focused on expansion site area	11	On a call with Brian Treacy agreed water depth conditions and wave conditions at all locations are considered to be potentially suitable for further marina development subject to detailed technical studies focused on expansion site area
	Suitable conditions off the water (Water supply, Wastewater, Power Supply and Communications)	12.5%	5	Has electricity, wastewater system, power supply, and internet connection. However, the wastewater system and water supply is not mains	6	Has electricity, wastewater system, power supply, and internet connection	6	Has electricity, wastewater system, power supply, and internet connection	6	Has electricity, wastewater system, power supply, and internet connection	6	Has electricity, wastewater system, power supply, and internet connection
	Suitable conditions off the water (Planning Policy – Land use Zoning)		3	'Water-based Recreational Activities' is open to consideration	3	''Sporting facility' is open to consideration, however note: Tourism - recreational complexes is not permitted	3	'Sports/Leisure' facilities is open to consideration	3	'Sports/Leisure' facilities is open to consideration	4	'Leisure/Tourism' is permitted in principle

MCA results (3/3)

Theme	Criterion	Weighting (%)	Shannon Harbour		Athlone Marina		Terryglass Harbour		Dromineer Harbour		Hodson Bay Marina	
Environment impact (15%)	Environmental impacts and low footprint	15%	5	The site itself is a pNHA, SPA, and, SAC. Medium to high sensitivity landscape area	10	pNHA, SPA, and, SAC present at a distance of 1km. High sensitivity landscape area	8	The site itself is a pNHA, SPA, and, SAC. Low sensitivity landscape area	8	The site itself is a pNHA and SPA. Low sensitivity landscape area	3	The site itself is a pNHA. Very high sensitivity landscape area
Economic impact (15%)	Proximity to established towns and villages and enhancing tourism and local economy	10%	9	Nearest Town/village is Clonony at a distance of 2.2 kms	3	Nearest Town/village is Ballykeeran at a distance of 5.9 kms	7	Nearest Town/village is Ballinderry at a distance of 4.4 kms	5	Nearest Town/village is Puckaun at a distance of 5.4 kms	2	Nearest Town/village is Athlone at a distance of 7.4 kms
	Potential for a commercial hub	5%	4	Lands owned by Waterways Ireland	3	Lands owned by Westmeath County Council	3	Lands owned by Tipperary County Council	3	Lands owned by Tipperary County Council	3	Lands owned by Westmeath County Council
Total score* (out of 85)			**55**		**64**		**52**		**57**		**59**	

*Thematic sub-total scores in this table may not sum due to rounding

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9. Consultations notes

List of consultees

- Aqua Super Power
- BVWW, Germany
- Cruise-hire companies: Carrickcraft Carrick On Shannon, Emerald Star, Silver Line (in person workshop)
- Day boat companies: Viking tours Ireland, Moon River, Spirit of Killaloe (virtual workshop)
- ePropulsion
- European Boat Industry
- Irish Boat Rental Association (IBRA)
- La Boat UK, Andrew Bromilow
- LocaBoat, France
- MGM (Delphia)
- The Inland Waterways Association of Ireland
- Tourist officers at Local Authorities along the Shannon Navigation and Shannon-Erne Waterway (Cavan, Lough Derg, Leitrim, Offaly, Roscommon, Westmeath)
- Waterways Ireland

KPMG has conducted 17 consultations and 2 workshop

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10.

Alternatives to diesel fuel for the cruise hire sector

Alternatives to Diesel Fuel for the Cruise Hire sector

The planet is experiencing a climate emergency, as recognised by the Irish government in 2019. This means it is critically important that all sectors of the economy find ways to reduce their carbon emissions.

The cruise hire sector relies heavily on diesel, a fossil fuel that emits carbon dioxide in use and contributes to global heating. This research document explores alternatives to diesel fuel that would have a smaller ecological impact. Specifically, it highlights the potential of using Hydrotreated Vegetable Oil (HVO) as a viable, less environmentally harmful substitute for diesel in the cruise hire sector.

Alternatives to Diesel Fuel

Below we set out some alternative methods for powering cruise hire vehicles with their strengths and weaknesses. All these options could help reduce the cruise hire sector's contribution to global heating and may play a role in a diverse, resilient cruise hire sector in the long term. However, a transition to biofuels would be quicker, less disruptive, and less costly to implement than the other options. It is therefore likely to play a major role in decarbonising the cruise hire sector in the short term.

1. **Biofuels: Renewable fuels derived from vegetable oils (such as Hydrotreated Vegetable Oil (HVO)), animal fats, and organic matter.**
    1. Strengths: Compatible with existing cruise hire vehicle engines and fuel storage, minimising transition disruption and costs. Can be blended with diesel to reduce carbon emissions during fuel transition period. Lower carbon emissions than diesel. Remains stable in storage 10 times longer than diesel.
    2. Weaknesses: Higher unit cost than diesel (though this will change as sector matures). Supply chain relatively immature.
2. **Electric propulsion: Electric motors powered by batteries charged on the electrical grid.**
    1. Strengths: Quieter than diesel engines. Zero harmful emissions in use.
    2. Weaknesses: Significant cost and disruption associated with replacing engines and fuel storage in existing cruise hire fleet. Reliant on electrical grid transitioning to renewable sources.
3. **Hydrogen fuel cells: Generating electricity using hydrogen and oxygen in fuel cells.**
    1. Strengths: Fuel cells produce only water vapour as a by-product, offering a zero-emission solution.
    2. Weaknesses: Significant cost and disruption associated with replacing engines and fuel storage in existing cruise hire fleet. Hydrogen supply chain is immature.
4. **Solar/wind power: Electric motors powered by solar panels or wind turbines installed on the cruise hire vehicles.**
    1. Strengths: Zero harmful emissions. No need for vehicles to refuel.
    2. Weaknesses: Significant cost and disruption associated with replacing engines and fuel storage in existing cruise hire fleet. Vehicle power dependent on weather conditions.

Alternatives to Diesel Fuel for the Cruise Hire sector

What is Hydrotreated Vegetable Oil (HVO)?

HVO is a renewable fuel made from vegetable oils fats through a process called hydrotreatment. The fuel produces lower emissions when burned compared to conventional diesel while having similar chemical and physical properties. HVO would therefore allow cruise hire vehicle operators to reduce their greenhouse gas emissions without needing to make disruptive or expensive changes to their vehicles' engines or fuel systems.

Its compatibility with diesel means there is no need to discard existing fuel reserves to empty left-over diesel from the fuel tank before refuelling with HVO. The biofuel also remains stable for longer than conventional diesel: its shelf life is up to 10 years, compared to under one year for diesel. This would remove the need for vehicle operators to refresh fuel reserves through the year.

Claims by HVO supplier companies (including but not limited to Inver and Nationwide Fuels) suggest that carbon emissions from HVO are up to 90% lower compared to diesel. HVO is already used as a diesel substitute for fuelling transportation, heavy machinery, and various other diesel-powered sectors.

HVO in comparison with Diesel

Among the biggest advantages of switching to HVO from conventional diesel is that HVO can be directly used as a replacement without any need for modifications in engine or vehicle.

Indicators	HVO	Diesel
Production Source	Derived from vegetable oils or animal fats	Derived from crude oil
Greenhouse Gas Emissions	80-90% lower CO_2 emissions, c.27% lower NOx emissions, lower particulate emissions	Higher emissions of CO_2, NO_x, and particulates
Renewable	Renewable and derived from biomass	Non-renewable fossil fuel
Energy Content	Similar energy content to diesel	Similar energy content to HVO
Engine Performance	Similar engine performance to diesel	Similar engine performance to HVO
Cold-Weather Performance	Good low-temperature performance	May require additives for cold-weather performance.
Compatibility	Can be used in existing diesel engines without modification, compatible with existing infrastructure	Compatible with existing diesel engines and infrastructure
Price	Generally higher price compared to diesel. Discussions with supplier sales representatives suggest current prices are 25-35% higher than diesel. RTÉ reports prices are 15 cents per litre higher than diesel.	Generally lower price compared to HVO.
Availability	Limited availability compared to diesel. Not available at pumps. Usually procured directly through supply companies such as Inver, Certa, and others.	Widely available.
Taxation	Taxed same as diesel. Carbon tax, however, does not apply to HVO.	Standard road diesel tax, including carbon tax.

Alternatives to Diesel Fuel for the Cruise Hire sector

Examples in Ireland

Circle K has announced its plan to be the pioneering fuel retailer in Ireland by using renewable HVO fuel, derived from food industry waste and by-products, instead of diesel to fuel its entire fleet of delivery vehicles. Circle K's fuel station situated at Dublin Port became the first location to fuel the fleet with HVO renewable diesel. They have progressed plans to make the fuel available at two additional sites in Galway and Cork.

An Post has run trials fuelling its heavy goods vehicles using HVO in Galway. The business reported that this trial resulted in a 91.8% reduction in carbon emissions.

The Alternative Fuels Working Group of Freight Transport Association (FTA) Ireland, a not-for-profit membership trade association for the Irish freight and logistics industry, talked about An Post's HVO Trial Galway. The performance of trucks was reported to be highly satisfactory, and drivers expressed their satisfaction with the HVO fuel. The trial demonstrated that HVO fuel delivered comparable performance to diesel, yielding positive overall outcomes.

Dublin Port has trialled using HVO to fuel pilot boats, which guide larger vessels to and from their moorings at the port and currently account for 20% of the port's carbon emissions. In the first phase of trials, they found operating a modern pilot vessel using 100% HVO fuel in place of diesel reduced carbon emissions by 80-90% and significantly reduced exhaust fumes. The port has expanded this trial to two additional, older pilot vessels.

Tax treatment of HVO in Ireland and elsewhere

Liquid fuels for use in motors are subject to the Mineral Oil Tax (MOT), Value Added Tax (VAT), and the biofuels levy.

MOT comprises a non-carbon component (often referred to as fuel excise or fuel duty) and a carbon component. HVO is regarded as a substitute fuel for diesel in Ireland, which means it is subject to the non-carbon component of MOT at the same rate as fossil diesel of €336.29 per 1,000 litres. However, Finance Act 1999 provides all liquid biofuels, including HVO, with a relief from the carbon component of MOT.

Road haulage and road passenger transport operators may claim a rebate covering part of the MOT paid. This rebate is not currently available for non-road transport operators.

HVO is also subject to VAT. The EU VAT Directive does not currently permit states to apply reduced VAT rates to biofuels, and so HVO is liable to VAT at the standard rate of 23%.

Sales of biofuel within Ireland are subject to a biofuel levy of 0.1 cent per litre, reduced from 2 cents per litre in 2020. This rate reduction was intended to incentivise the use of biofuels.

Alternatives to Diesel Fuel for the Cruise Hire sector

In the UK, HVO and other biofuels are subject to the same taxes as fossil diesel both when used in vehicles and for heating. In January 2023, former Environment Secretary George Eustace proposed cutting taxes on HVO to encourage its use in domestic heating.

Sweden passed legislation exempting HVO fuels from tax in 2017, which led to a 124% increase in HVO fuel sales that year. If Ireland passed similar legislation, we would expect HVO sales here to increase substantially.

Conclusion

Hydrotreated Vegetable Oil is a renewable, synthetic diesel alternative that can be used in existing diesel engines with no modifications, offering lower emissions and improved sustainability. HVO thus stands out as a viable fuel specifically for cruise hire vehicles. Its interchangeability, i.e. compatibility with diesel engines, exemption from carbon taxes, longer shelf life (reducing storage costs), and substantial reduction in carbon dioxide emissions makes HVO an attractive substitute to diesel. However, the higher unit cost could slow the pace of adoption by cruise hire vehicle operators. Lastly, procurement for individual cruise hire vehicles might be challenging given the immaturity of the HVO supply chain and its lack of availability at retail outlets.

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Alternatives to Diesel Fuel for the Cruise Hire sector

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