



■ **PLUG-IN:** CEO of Hibernia Atlantic Bjarni Thorvarðarson, left, and Derek Bullock, president of network operations, with the Project Kelvin fibre-optic cable on the shore at Portrush last month

Army base announced as site for telehouse

By John Manley

A FORMER British army base in Derry will be the "plug-in point" for a transatlantic telecoms cable designed to speed up digital links with Britain, Europe and North America.

The old Fort George army and navy compound in the city has been selected to house the Project Kelvin telehouse, the company delivering the €30 million (£26m) project announced yesterday.

Coleraine had previously been earmarked as the site of the cable's onshore hub. However, following intense lobbying from nationalist politicians, Derry was selected as the preferred location.

US firm Hibernia Atlantic, which last year won the tender to deliver Project Kelvin, said Fort George was one of the key locations within the Derry city's regeneration plan.

Derek Bullock of Hibernia Atlantic said direct digital link, which is jointly funded by the Stormont executive, the Dublin government and the European Union, had the potential to be a major facilitator of growth in the north west.

"It is important that the potential investment for the city through the telehouse and the cable itself is recognised," he said.

"This is the right location and local businessmen and entrepreneurs can now look to the future where there will be a new wealth of capacity and the ability to directly and securely connect to Canada, US, GB and mainland Europe."

The fibre-optic cable, connecting England to North America, runs

along the seabed. A 22-mile off-shoot will now link Northern Ireland to the high-speed digital service. The cable was brought ashore in Portrush last month.

A cable is also being brought ashore in Dublin to enhance digital services in the Republic.

Social development minister Margaret Ritchie and investment, trade and enterprise minister Arlene Foster both welcomed the announcement.

"The construction of the Project Kelvin telehouse will represent the first physical development on Fort George and I hope it will be followed by many more major developments as we continue to advance our vision of making this site an economic driver that delivers jobs and prosperity for the people of Derry and the north west," Ms Ritchie said.

Ms Foster said the decision to site the telehouse at the former army base was the result of the private and public sectors actively working together.

"This flagship project is one of a number of actions being taken under the Programme for Government to capitalise on the north's world-class telecommunications infrastructure," Ms Foster said.

"In these challenging economic times it is more important than ever that the private and public sector work together to maximise the benefits of this investment."

Now a site has been identified, Hibernia Atlantic will submit a proposal to Ms Foster's department and the Republic's Department of Communications, Energy and Natural Resources.

Survey of manufacturing sector reveals lowest orders in 17 years

HOPES of a swift recovery in the manufacturing sector were dealt a blow yesterday after survey figures revealed the worst result for order books in more than 17 years.

The latest CBI Industrial Trends Survey suggested a relapse for the sector in July as a balance of minus 59 per cent of manufacturing firms reported that their order books were at normal levels – the worst reading since January 1992.

This comes after improved order figures for May and June.

Quarterly figures also signalled ongoing pessimism over demand, with firms running down their stocks at the fastest rate in the 51-year history of the survey and expecting a similar reduction over the next three months.

But the quarterly CBI figures, which

At a glance...

Muted demand and intensified competition have been blamed for low order figures

are seen as less volatile than the monthly results, suggested a marginally better picture overall for orders in the three months to July.

The figures showed that 43 per cent of firms said the volume of output dropped in the period, while 12 per cent said they rose, which gave a balance of minus 31 per cent – the best result since the end of 2008 as the impact of recession began to take hold.

Experts said the survey result served as a reminder that the sector is not yet seeing a sustained recovery and that economic conditions remain difficult. "Manufacturers clearly still face seri-

ous obstacles and the CBI survey heightens suspicion that sustainable growth in the sector could remain elusive for some considerable time to come," Howard Archer, chief economist at IHS Global Insight, said.

"While leaner stocks and a more competitive pound are helping their position, manufacturers are still battling against muted domestic demand, difficult conditions in overseas markets and intensified competition."

The recent strengthening of the pound appeared to help export orders in July, as a stronger pound makes goods cheaper for foreign customers.

A balance of minus 45 per cent of manufacturers said that export order book levels were normal, which compared with minus 46 per cent and minus 52 per cent in May and June.



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