



# Trade NI

## Vision 2030

A Ten Year Prosperity Plan  
for Northern Ireland

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Trade NI is an alliance of Manufacturing NI, Hospitality Ulster and Retail NI which represents three of the largest sectors of industry and the majority of businesses in Northern Ireland. Launched in June 2019, Trade NI brings together the combined strength and power of the three organisations representing the key sectors of the Northern Ireland economy.

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Hospitality Ulster is the professional body representing the hospitality industry in Northern Ireland, which sustains 65,000 jobs and contributes in excess of £1.6bn annually to the NI economy. With a focus on food and beverage, our membership consists of pubs, bars, café-bars, restaurants, hotels and major visitor attractions, all of which form the backbone of the growing tourism sector in Northern Ireland, which has targets to grow the current income from tourism of £1bn to £2bn over the next ten years.

[www.hospitalityulster.org](http://www.hospitalityulster.org)  
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Retail NI is Northern Ireland's only business organisation which stands up for the independent retail sector at every level of government. No other business group is as dedicated to putting the local retailer first. Our 1,800 strong membership includes wholesalers, independent retailers of all kinds, suppliers to our sector and affiliated chambers of commerce and local traders' groups.

[www.retailni.com](http://www.retailni.com)  
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Manufacturing NI is a campaigning organisation which works with member companies across the manufacturing sector, workforce representatives, policy-makers and regulators to challenge and encourage change in areas which impact on the cost of doing business; specifically, rates, energy and labour. They work to create the most competitive region in Europe in which to start, sustain and grow a manufacturing business, thus creating wealth and work. The sector directly and indirectly supports one in four jobs in Northern Ireland.

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## JOINT FOREWORD

by Trade NI Leadership, Colin Neill (Hospitality Ulster), Stephen Kelly (Manufacturing NI) and Glyn Roberts (Retail NI)

The potential for Northern Ireland is significant. Already it is regarded globally for being one of the best places to work and live and often features highly ranked as one of the best places to do business. Our hospitality is renowned as first class; our manufacturing sector leads the way internationally; and our independent retail trade is one of the key drivers of the economy.

We seek to maintain that strong reputation which has put us on the map, but that takes work, resilience and new ideas.

Trade NI seeks to give leadership and provide policy solutions to create a modern local economy. It is imperative that our politicians and key influencers understand Northern Ireland's economic needs, and that they help to reform the policies that are holding us back in terms of growth.

We believe a strong, diverse and sustainable economy is essential to a prosperous society and vibrant communities. Providing an environment where business can thrive and grow is imperative to the strength of our economy. We need to reduce the cost of doing business, embrace the opportunities presented by

globalisation, invest in our infrastructure, develop skills, increase our productivity and find innovative new ways of stimulating investment and revitalising our communities.

However, Northern Ireland is facing huge economic and political challenges. The paralysis that has resulted in the absence of a functioning Assembly and Executive has created a situation where very little has been done to address the needs of our sectors or the economy at large.

The shift of power from Stormont to Westminster means that we must see the urgent implementation of policies and legislative changes that will help Northern Ireland flourish. Our local economy and businesses have taken a backseat and we simply cannot afford that situation any longer.

We have a bold, new, long-term vision for our economy and encourage all business organisations, chambers of commerce, trade unions and voluntary sector representatives to come on board with us to create a new progressive partnership for change in Northern Ireland.

## FOREWORD

By Brian McGrath, Chief Executive, Foyle Port

I commend this innovative and forward-thinking alliance of Northern Ireland's leading sectors which gives a strong, collective voice for local business. Hospitality, manufacturing and retail have created and sustain thousands of jobs across Northern Ireland and contribute billions of pounds to the economy.

Northern Ireland is currently in a period of limbo. The collapse of the Assembly and Executive has created a state of paralysis which has led to a lack of policy and legislative development. Coupled with the outcome of Brexit in the coming months, the NI economy needs to prepare for the future.

This major economic policy paper highlights what business in Northern Ireland has been saying for years. We need a clear economic strategy, development of our skills base and productivity and a reduction of the regulatory burden on business. Foyle Port backs the findings of the report which maps out a clear path for the economic future of Northern Ireland.

Foyle Port is an eager and willing partner to Trade NI and will work alongside the alliance to help transform the Northern Ireland economy. As a key marine gateway to Europe and the Atlantic, we are ideally placed to play a key role in ensuring cross-border and international trade continues to support all sectors.

This new alliance is a unique opportunity to fully address the economic difficulties currently being experienced. I hope that politicians, employers, industry leaders and other key stakeholders grasp this chance and ensure that we work together to develop a sustainable,



strong and vibrant outlook for Northern Ireland. Trade NI is an ambitious endeavour which aims to restabilise and revamp local industry, support employers and workers, and balance our economy so it can flourish in the future.



Trade NI Leadership Team:  
(from Left to Right): Stephen Kelly,  
Chief Executive, Manufacturing NI,  
Colin Neill, Chief Executive,  
Hospitality Ulster, and Glyn  
Roberts, Chief Executive, Retail NI



## INTRODUCTION

Trade NI is a new alliance between Hospitality Ulster, Manufacturing NI and Retail NI which represents the three largest sectors of industry and the majority of businesses in Northern Ireland. Our alliance comes at a time when Northern Ireland is facing huge economic and political challenges as a result of Brexit, with no Assembly and a rapidly changing global economy. Trade NI seeks to give leadership on behalf of our three sectors and provide new policy solutions which will contribute towards creating a modern local economy.

The paralysis that has been created in the absence of an Assembly and Executive has led to a situation where very little has been done to address the needs of the sectors we represent, or the economy at large.

The shift of power from Stormont to Westminster means we must press decision-makers there to implement policies and make legislative changes that will help grow Northern Ireland. Our local economy and businesses have taken a back seat and we simply cannot afford that situation to continue any longer.

Our three organisations represent most of the businesses that make up private sector jobs in Northern Ireland. A louder voice needs to be heard on their behalf, so they don't suffer in the wake of our local political issues. We want a reboot of economic policy in Northern Ireland, in order to benefit our economy and safeguard our growing business community.

How do we create a Northern Ireland economic powerhouse, like the Northern powerhouse that has been built in England? How do we achieve a 5% growth rate instead of bumping along at less than 1%? How do we make Northern Ireland the best place in the UK and Ireland to live, shop,



socialise and to locate a business? What do we need to do to make Northern Ireland an ecosystem of innovation? Fundamentally, what should our region have achieved economically, socially and politically by 2030?

Big questions like these require big answers from our political leaders.

Trade NI believes a strong, diverse and sustainable economy is essential to a prosperous society and vibrant communities. Providing an environment where business can thrive and grow is imperative to the strength of our economy. We need to reduce the cost of doing business, embrace the opportunities presented by globalisation, invest in our infrastructure, develop skills, increase our productivity and find innovative new ways of stimulating investment and revitalising our communities.

We live in a globally connected world where technology is continuously advancing with far-reaching impacts on how we work, live and do business. Our economies are rapidly changing and relationships between consumers and producers have been transformed. Closer to home there is continued uncertainty around Brexit, the potential for a UK General Election and the long-term absence of a functioning Northern Ireland Executive.

It is an uncertain time for business but we must look beyond today's challenges, towards a future horizon and embrace the opportunities it presents. Change is rapid and successive and will continue to escalate. We will need to solve new problems but there will be opportunities that we cannot even imagine today. This is uncharted territory and means a much longer-term view is needed that balances today's priorities with ambitions for a future we don't yet have sight of.

This document presents our economic vision for Northern Ireland between now and 2030. It is one that supports a sustainable future, inclusive growth and an environment which is supportive to doing business and expanding our global reach. We are realistic and accept we do not know how the world will look by then, so this is not a prescriptive plan, but a pathway for navigating through a dynamic future. It is built on four key priorities and supported by a series of bold but achievable strategic objectives. These are our ideas to reboot economic policy in Northern Ireland and we urge government to adopt them. This will benefit our economy and safeguard our business community.

The only way we can achieve this vision is by keeping pace with future challenges. We hope for a future with promise and potential, but we need a different mindset and approach. This means we will need to continuously scan the horizon for early signs of unanticipated developments and be prepared to change our focus.

We need a policy direction that provides clarity for businesses and supports an environment where they can thrive. We are calling on government to implement policies and make legislative changes that will help grow Northern Ireland. This involves taking much-needed decisions on a broad range of measures including business rates, infrastructure investment, measures to address a growing skills gap, modernisation of our town centres, increased productivity and reduced regulatory and taxation burdens on businesses. If these decisions cannot be made at Stormont, then we ask that they are made at Westminster.

Trade NI wants to work in new ways and beyond traditional boundaries, reaching out to all business organisations, chambers of commerce, trade unions and voluntary sector representation to create a new progressive partnership for change in Northern Ireland, collaborating to support government by bringing solutions to them and not problems, creating a true partnership between civic society and government.

## ECONOMIC POSITION & OUTLOOK

The Northern Ireland economy has continued to grow in recent years with economic activity driven by the private sector but there are worrying signs that progress has begun to slow. June 2019 saw the sharpest decline in business activity in the local private sector since November 2012. Outputs fell across manufacturing, services and construction, as did consumer spend in the hospitality and retail sectors with new orders and new export orders falling.

Investment activity is decreasing and there are concerns that the labour market is weakening. This is expected to translate into limited growth for the Northern Ireland economy in the coming years which could be jeopardised in a no-deal Brexit scenario with our economy falling into decline, or even worse, recession.

Given that Northern Ireland already has the lowest economic growth across the twelve UK regions, we are not just lagging behind the rest of the UK, but are in real danger of being left behind. Within this context, the importance of getting an EU withdrawal deal and avoiding the damaging scenario of a no-deal Brexit is very clear.

The outlook is even more worrying if we look at retail, manufacturing and hospitality which are extremely vulnerable to the consequences of a no-deal Brexit. Northern Ireland consumers are very reliant on external markets with a significant proportion of food and groceries in Northern Ireland's retail sector sourced from GB or other parts of the EU. Manufacturing exports make up around 70% of the goods sold to the EU and the rest of the world, so any barriers to trade could be devastating for the sector.

Hospitality is particularly vulnerable to a downturn in the Northern Ireland economy, as a large percentage of businesses rely on the domestic consumer, whilst also relying on the growing tourism market. Tourists visiting from mainland Europe and Ireland account for around a third of all external visits to Northern Ireland with many tourists using routes into Dublin airport to access Northern Ireland. Any real or perceived additional constraints on their ability to

cross the land border would have a negative impact on businesses in the tourism industry, with a direct impact on hospitality.

A raft of new costs and complexities will impact how we do business as a result of Brexit. We will no longer have access to numerous EU free trade deals, which will increase the cost of both imports and exports. It is a distinct possibility that customs duties will be introduced, including customs clearance fees which will be an additional cost for businesses. The administrative burden resulting from the documentation required to make customs declarations will also increase. For some businesses, this will be significant. There will be restrictions on the free movement of labour and recruiting the best talent is also likely to be more difficult. Several studies have shown that EU workers are now less willing to come to the UK.

These costs and complexities will be greatest for those businesses in Northern Ireland which source products from the supply chain network in the Republic of Ireland. A recent study on SME cross-border supply chain management from Ulster University, and sponsored by InterTrade Ireland, shows over 50% of manufacturing SMEs from Northern Ireland and the Republic of Ireland are working collaboratively with cross-border suppliers.

We need enhanced, targeted support to ensure continuity of supply and ways of analysing and measuring supply chain costs, risks and performance. We also need a more focused approach to the development of the larger urban areas along the Belfast-Dublin economic and transport corridor, and along the route from Derry/Londonderry through to Letterkenny where there are significant settlements of populations.

All of these factors will make us less globally competitive and are an enormous threat to the continued economic prosperity of North-South trade but we must continue to work together on an all-island basis in areas such as economic development and promotion, coordination of physical infrastructure and environmental energy.

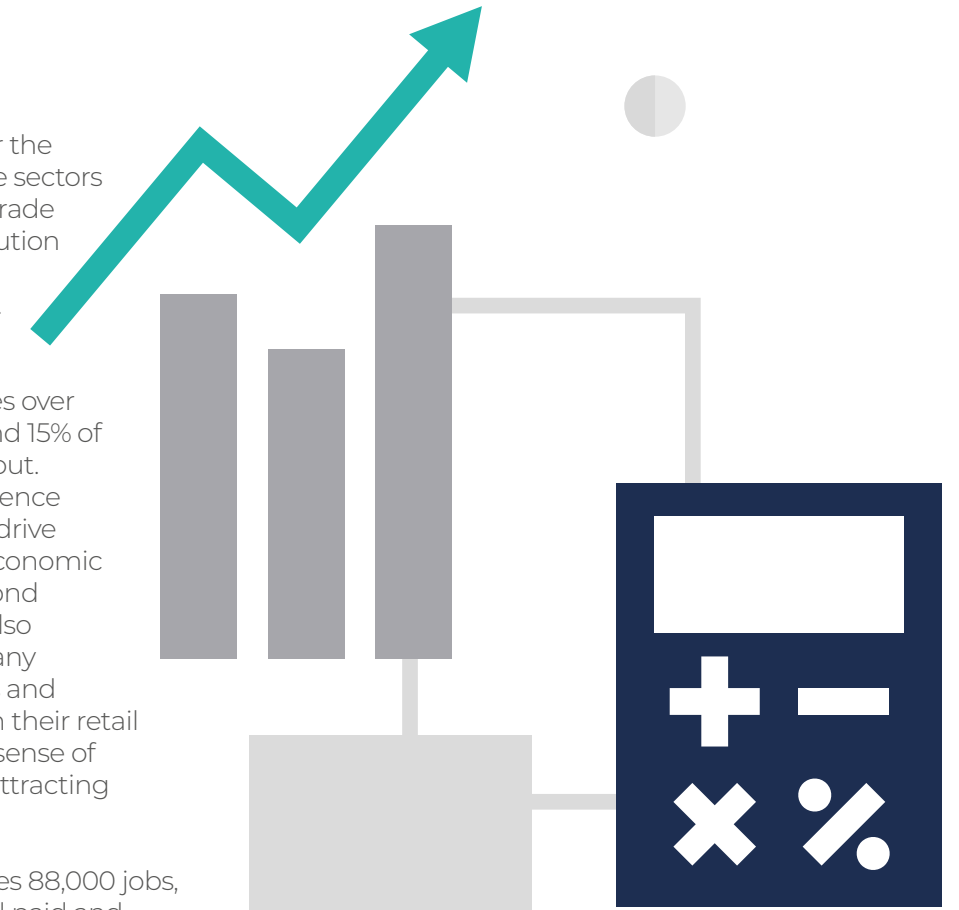
## OUR CONTRIBUTION TO THE ECONOMY

The outlook for the economy over the coming years is uncertain, but the sectors we collectively support through Trade NI will have an important contribution to make as Northern Ireland adjusts to a new economic reality.

Retail is the largest sector of our private sector economy. It provides over 140,000 jobs and makes up around 15% of Northern Ireland's economic output. Increasing local consumer confidence levels in the retail sector will help drive consumer spending and boost economic growth for Northern Ireland. Beyond employment, the retail sector is also recognised as an integral part of any region's character. Dynamic cities and thriving towns and villages rely on their retail outlets to provide atmosphere, a sense of community and uniqueness for attracting tourism and investment.

The manufacturing sector provides 88,000 jobs, which are often highly skilled, well paid and responsible for cutting edge research and development. It contributes 14% of our total economic output and has been the largest employment growth sector in the Northern Ireland economy since 2012.

The hospitality sector sustains 65,000 jobs in Northern Ireland and is one of the largest private sector services employers in the region after wholesale/retail and contributes £1.6bn in value added (GVA) annually to the local economy. The hospitality sector makes up 57% of tourism GVA and 75% of direct tourism jobs, highlighting its critical role in driving growth in one of Northern Ireland's emerging sectors. The sector has benefited from the strong performance of Northern Ireland's tourism industry in recent years and a general recovery in the local economy, but there are signs of challenges ahead, with the industry reporting a downturn for the last two consecutive quarters. This, along with rising costs, is causing real concern within the food and beverage element of the industry.



Together our sectors account for a high proportion of economic outputs and more than 293,000 jobs. This is a significant contribution to the economy and to the fortunes of communities across Northern Ireland. However, we want to do more.

Just think for a moment what growth in these areas of the economy would mean for jobs. Even modest growth of 3% would result in 8,800 more jobs. This would be transformative, but we have bigger ambitions. We want to collectively support an additional 65,000 jobs in Northern Ireland by 2030.

# OUR VISION FOR 2030

Our vision for delivering sustainable economic growth in Northern Ireland and becoming a net contributor to the national budget is

**TO CREATE THE CONDITIONS FOR A COMPETITIVE, SELF-SUSTAINED AND THRIVING ECONOMY. WE WILL ACHIEVE THIS BY PROVIDING A SUSTAINABLE FUTURE, INCLUSIVE GROWTH AND AN ENVIRONMENT THAT IS SUPPORTIVE TO DOING BUSINESS AND EXPANDING OUR GLOBAL REACH.**

This vision is supported by four key priorities:

1. A **sustainable** economy where growth is stimulated by enhanced productivity resulting from investment in education and skills, supported by responsible consumption and production.
2. A **competitive** economy that provides a uniquely supportive environment for doing business.
3. A **global** economy that is visible and attractive to the outside world with an infrastructure which supports local, national and international connectivity.
4. An economy supported by **revitalised** communities where people want to live, work and visit.

We describe each priority in detail along with targets for achieving them.

## OUR KEY PRIORITIES



## 1. SUSTAINABLE

Investing in education and skills ensures we have a productive labour force and sustainable economy, while responsible consumption and production protects our environment for future generations.

Productivity remains one of the most important drivers of economic growth and is one of the key priorities in our Programme for Government. While research shows that manufacturing and retail perform well compared with UK productivity levels, our productivity overall remains one of the lowest in the developed world.

Investment in skills drives jobs and growth and we believe that maintaining a highly skilled workforce is essential to our competitiveness. Yet for too long we have not invested enough in skills. Jobs and the skills needed to do them will have changed drastically by 2030 and we see three key challenges in adapting to the future of work: supplying the right skills in the new world of work; helping middle and low-skilled workers upgrade their skills; and improving the utilisation of skills in the workplace.

Given the megatrends that are affecting the nature of work including globalisation, digitalisation and demographic changes, an integrated and coordinated approach is needed to ensure the right skills and pathways are in place for the jobs of the future. This means we need to put in place a training delivery model that is innovative, flexible and enterprise-led, while employers need to play a significant role in shaping the demand for training courses to ensure they are enterprise-led and flexible to meet requirements.



Apprenticeships also serve as a valuable skills development pathway to improve the transition from school to work, offering on-the-job training with classroom-based learning. Quality apprenticeship programmes can provide employers with a skilled workforce that is more agile in a rapidly evolving global economy while also supporting new employment opportunities for disadvantaged groups.

We have limited natural resources but buying more products and services locally is good for our economy and the environment. Reducing our reliance on imported goods is good for businesses in Northern Ireland and can be achieved using creative approaches to procurement and through measures such as import substitution.

| Objectives        | Vision Indicators   |
|-------------------|---|
| Sustainability    | Department of Agriculture, Environment and Rural Affairs to develop a <b>Future Strategy</b> for natural resource management including the reduction of production costs through renewable energy <b>by 2025</b> . This should include ambitious targets that put the UN's Sustainable Development Goals to the fore and will be good for the long-term sustainability of our environment, communities and the economy.   |
|                   | A <b>Green Rate Relief Scheme</b> should be introduced by <b>2022</b> to incentivise businesses to invest in green technology.  |
|                   | <b>Intelligent import substitution</b> to reduce Northern Ireland's heavy reliance on imports should be considered where it makes economic sense. This will bring economic and environmental advantages by buying more goods and services locally, especially where we have a strong indigenous offering.   |
| Productivity      | Our ambition is to <b>reach 90% of the UK average of productivity by 2030</b> . This is a stretching but reasonable target and will make a significant contribution towards our economic growth.  |
|                   | We also want to reach a <b>4% economic growth rate by 2025</b> .  |
|                   | Our ultimate ambition should be for productivity to be within the <b>top quartile of OECD countries in terms of productivity by 2030</b> .  |
| Skills and Labour | <b>Reform of the Apprenticeship Levy</b> to deliver a Northern Ireland model suitable for the needs of local businesses should be an <b>immediate priority</b> .  |
|                   | We need a <b>new age 14-19 strategy by 2021</b> which provides a new vocational route, running parallel to academic, from school right through to university.   |
|                   | Funding should be allocated and derived from apprenticeship levies, to a number of <b>sectoral learning networks</b> . These are groups of companies within the same industry sector or region with similar training needs which can receive subsidised, enterprise-led training.   |
|                   | Up to April 2019, more than 30,000 participants have started an apprenticeship since the Apprenticeships NI scheme commenced in 2013. Progress has been made in participation rates in apprenticeships, with 6,499 Apprenticeships NI starts in 2016/2017, an increase of 25% since 2013/14, but there should be a significant acceleration of the scheme with <b>an additional 40% increase in the total apprenticeship uptake by 2025</b> .   |
|                   | <b>A training model of excellence should be introduced by 2021</b> to support the delivery of enterprise-led training for 5,000 companies and 20,000 trainees.  |
|                   | The MaSN cap for Ulster University campus at Magee should be lifted immediately to give a much-needed boost to the North-West.  |
|                   | <b>Investment in a targeted skills programme</b> to support the availability of an indigenous labour force to sustain and support the expansion of the manufacturing, hospitality and retail industries with: <ul style="list-style-type: none"> <li>• An effective skills strategy to support the skilling and recruitment of labour within Northern Ireland.</li> <li>• A long-term strategy to encourage/support the economically inactive back into the labour market.</li> </ul> |
|                   | It is critical to ensure Northern Ireland has <b>access to a sufficient labour market post-Brexit</b> , through a migration system which protects the rights and living standards of our indigenous workforce. The need to supplement the labour pool for both skilled and unskilled jobs must also be recognised.  |
|                   |   |

## 2. COMPETITIVE

We have the opportunity to be much more competitive by creating a uniquely supportive environment for businesses.

The cost of doing business in Northern Ireland has spiralled and will most likely only get worse after Brexit. Northern Ireland has the highest level of business rates in the UK with very few of the reliefs that businesses in other parts of the UK receive.

Costs associated with energy, infrastructure and rates remain a consistently high burden on Northern Ireland businesses. Energy continues to be an important cost for businesses, particularly those in manufacturing, hospitality, retail and construction while prices faced by large and very large industrial and commercial businesses are among the highest in the EU.

Having a high-quality infrastructure is critical in attracting investment, economic growth and competitiveness. The scale of infrastructure under-investment in Northern Ireland has been an issue for some time and must be addressed. Improvements in our infrastructure remain a priority despite the absence of a Northern Ireland Executive and uncertainty surrounding Brexit.

Automation and digitalisation are the backbone of industrial production. They make systems more productive, more efficient and more reliable, reducing waste and help industry respond more effectively to consumer demand. However, given the critical juncture that we find ourselves at, our



research finds that companies are considering relocating aspects of their plant or operations to another country or moving elements of the supply chain away in order to boost productivity or reduce costs.

Whilst the future is uncertain, Northern Ireland manufacturing has an opportunity to position itself as a globally attractive and competitive base for advanced manufacturing and producing the best-designed products that are competitively priced. For this to happen, it requires continued dialogue between government and manufacturers to advance digitalisation and to ensure that manufacturers are ready to capitalise on Industry 4.0.



| Objectives                | Vision Indicators  |
|---------------------------|--|
| <b>Rates</b>              | <p>A radical extension of, and long-term commitment to, <b>the Small Business Rate Relief Scheme</b> is needed to support the growth and sustainability of small businesses in Northern Ireland.</p> <p>Retail NI and Hospitality Ulster produced a plan on <b>how to improve upon the Small Business Rate Relief Scheme</b> which was received well by the then Finance Minister. We would like to see the implementation of this plan which adopts a targeted approach for the independent retail and hospitality sectors. The plan has the support of thirty business organisations. <b>This scheme should be in place by 2021.</b></p> <p><b>Parity of financial relief</b> funded by Westminster.</p> <p>An <b>online sales tax</b> should be introduced to subvent the existing rates income, reflecting the changing marketplace and providing a fairer business taxation system.</p> <p>The <b>Empty Premises Rate Relief Scheme</b> should be revised to (1) reduce the qualifying period from 12 to 6 months and (2) extend the first year 50% rate reduction to year two with a 25% rate reduction to provide further support to the new business.</p> <p>A <b>long-term commitment to industrial derating</b> is required, extending existing arrangements through to <b>at least 2030.</b></p> <p>A <b>Capital Allowance Scheme should be introduced by 2025</b> to make it easier to access the Rates Hardship scheme.</p> |
| <b>Energy</b>             | Utilities (electricity, water and gas) and services (logistics, public transport and telecommunications) should be readily accessible and much more competitively priced, providing a stable base for businesses.  |
| <b>Capital Allowances</b> | In order to encourage capital spending on premises and machinery, the Treasury should <b>extend the Enhanced Capital Allowance Scheme</b> to £2m for a longer-term period. This would increase investment and make businesses more productive, be a boost to lending and to the construction sector.   |
| <b>Tourism VAT</b>        | <b>The rate of Hospitality/Tourism VAT</b> , which is currently the second highest in Europe, should be reduced.   |
| <b>Innovation</b>         | <p><b>'Made Smarter NI' pilot implemented by 2022</b> that offers funding, strategic advice, leadership development and technical student placements to enable makers to adopt new digital technologies.</p> <p>Our priorities to capitalise on Industry 4.0 are as follows:</p> <ul style="list-style-type: none"> <li>• <b>Increase financial support for R&amp;D</b> into emerging technologies (NI currently trails the rest of the UK on its investment into R&amp;D).</li> <li>• <b>Readjust tax credits and subsidies to incentivise manufacturers.</b></li> <li>• Accelerate <b>international mutual recognition standards.</b></li> <li>• Prioritise a competitive digital infrastructure and a long-term plan for smart infrastructure.</li> <li>• Prioritise collaboration between manufacturers, government and academia to fill skills shortages and improve our skills base around the requirements of Industry 4.0.</li> </ul>  |



### 3. GLOBAL

As we exit the European Union we will be exposed to different external priorities. This will require us to become more integrated into the global economy if we are to survive and reap the opportunities this may present.

To achieve this, we need an infrastructure which meets the needs of local and international businesses. Northern Ireland needs a long-term, coordinated vision for infrastructure provision that is developed by government, utilities and wider stakeholders. Public transport is key to the economic, social and environmental wellbeing of Northern Ireland but we also need outstanding road, sea, air and digital connections that are effective and affordable. Investment in a safe, reliable electricity network with the capacity to respond quickly to business needs is also a critical element of a vibrant economy which will help us attract foreign direct investment and grow indigenous businesses.



| Objectives               | Vision Indicators  |
|--------------------------|--|
| <b>Globally marketed</b> | Create a unique economic identity that capitalises on our new position in Europe and positions Northern Ireland as a bridge between the UK and the EU. This should be supported by the publication of an <b>International Framework by 2020</b> which sets out how public sector bodies engage externally to promote Northern Ireland.   |
| <b>Future looking</b>    | Creation of a <b>Regional Horizon Scanning Group to be established by 2020</b> that aims to look ahead at opportunities and challenges for the next 10 years. The group should be comprised of industry experts with the ability to commission research and should advise on government policies.  |
| <b>Connected</b>         | <p>We need improved broadband access and speeds through the speedy roll-out of the already committed investment.</p> <p>Our broadband coverage should match the UK average with <b>superfast broadband (30mbps) available to 100% of NI by 2025</b> and a concerted effort to improve rural broadband coverage from <b>67% to 74% by 2021</b>.</p> <p>Furthermore, we should aim to future-proof broadband access by <b>improving the coverage of ultrafast broadband (300mbps) from 38% in NI up to the UK average of 50% by 2025</b>.</p> <p>Immediate infrastructure priorities include the <b>York Street Interchange, A6, A5 and Belfast and North-West Integrated Transport Hubs</b> which must be progressed more rapidly. These critical projects will support improved connectivity of Belfast and Derry/Londonderry and boost their city centres.</p> <p>The infrastructure needs of rural communities desperately need to be addressed with plans developed to outline where and when infrastructure development will take place and with investment to support it.</p> <p>The delivery of significant electricity network reinforcement projects, including the <b>construction of a North South Interconnector by 2024</b>.</p> <p>Translink has continued to transform public transport through their five year 'Get on Board' strategy and we support their vision to be 'first choice for travel' for everyone living in or visiting Northern Ireland. Investment in the North-West Integrated Transport Hub and Belfast Transport Hub, along with a Phase 2 of the Glider initiative running north-south across Belfast, will help take more cars off the roads, reduce journey times and help our environment.</p> <p><b>Air Passenger Duty</b> (the highest in the world) should be <b>abolished by 2021 to encourage additional business and tourism air routes</b>.</p> <p>The Irish Government and any incoming Northern Ireland Executive must urgently address the journey time of the Belfast to Dublin Enterprise and work to modernise and improve the service. The infrastructure to achieve a <b>60-minute train journey to Dublin should be in place by 2025</b>.</p> <p>Given the importance of Grade A office space, the Department for the Economy needs to put in place a strategy to address potential lack of supply to provide suitable accommodation for new foreign direct investment within close proximity to town centres in order to boost retail footfall.</p> |
| <b>Offer of Scale</b>    | If we are to grow tourism GDP from 5.2% to over 10% (the average of any developed country) we must develop an offer of scale that transforms us from a 2-night stay to a 3-5 night destination.  |



## 4. REVITALISED

Revitalised communities where people want to live, work and visit are good for people and good for the economy.

We very much welcome Northern Ireland's Region City Deals but we need to find ways of making sure rural areas and our smaller towns and villages find ways of benefitting from these deals and do not get left behind. A continued, concerted effort is required to build internationally, nationally and regionally strong cities and towns to deliver more positive impacts and enhance overall national growth so that future population and jobs growth would be geographically more aligned, more distributed and better placed to realise the potential for focused investment.

Belfast's economy supports nearly 30% of all jobs in Northern Ireland and whilst the highest future rates of population and jobs growth are likely to occur in Belfast, the lowest per-capita rates of projected population and jobs growth tend to occur along the border regions. A continued focus on growth in and around Belfast without addressing the specific development challenges facing these regions, such as accessibility or their economic underperformance, would have negative consequences and inhibit these areas from realising their full potential.

We also need to make sure we benefit from support that is available to other towns, cities and villages in the rest of UK. We did not get our share of the UK Government's Future High Streets Fund and this was a lost opportunity that we cannot afford. We would also benefit from more Enterprise Zones, which have very successfully boosted the economy in other cities and regions of the UK. This must also be addressed.

| Objectives          | Vision Indicators   |
|---------------------|---|
| Strategic approach  | An incoming Northern Ireland Executive must develop a <b>Rural Business Strategy</b> which puts retail at its centre and improves how our rural areas are promoted and developed. The Strategy should be developed for <b>consultation by Department for Communities by the end of 2020 and implemented by 2022.</b>  |
|                     | We are ambitious for Northern Ireland to <b>achieve the European target for the manufacturing sector to contribute 20% of GDP</b> to our economy.   |
|                     | Department for Communities should establish a <b>Northern Ireland Town Team</b> to coordinate town centre regeneration policy. The Northern Ireland Town Team should have a central role in drawing up a comprehensive Town Centre Shop Vacancy Strategy for our Town and City Centres <b>by 2022.</b>  |
| Enterprise zones    | The Executive Office should lead discussions with the UK Government to create <b>three further main Enterprise Zones in Northern Ireland by 2030.</b> In addition to the existing Atlantic Link Enterprise Campus, priority areas for Enterprise Zones should include (1) Derry/Londonderry-Strabane (2) the Wrightbus and Michelin sites in Ballymena and (3) Belfast City Centre. <b>A Cross-Border Enterprise Zone</b> in Newry should also be considered. <b>A feasibility study should be completed by 2022.</b> |
|                     | The ultimate objective should be to create <b>one Enterprise Zone in each of the six counties of Northern Ireland.</b> Each should have its own unique focus, building on the needs, characteristics and strengths of each area.  |
|                     | Department for Communities should work with Councils and the private sector to <b>establish Town Centre Retail Incubator Units</b> in vacant shops to encourage start-up retailers and provide affordable rents and marketing support for the first year. Ballymena Business Centre has already established a Town Centre Enterprise Hub in Church Street and the DfC should aim to replicate this model throughout <b>all towns and city centres by 2025.</b>  |
| Rural transport     | A <b>review of rural transport connectivity must be a priority</b> for any incoming Executive. This should examine key areas such as the provision of essential public transport within rural areas and commitment to significant investment in new rural infrastructure.   |
| Investment          | A <b>Rural Town and Tourism Infrastructure Investment Fund</b> should be introduced which encourages collaborative bids from local businesses and communities for projects that aim to attract more visitors and improve visitor experience. A fund of <b>£30m over 3 years should be introduced by 2022.</b>   |
|                     | Technology can provide huge advantages to high streets. The Department for Communities and Councils should develop plans for <b>Digital Town Centres which include networked high streets</b> that put public spaces at the centre of each community and leverage the advantages that technology brings.  |
|                     | This should be supported by adopting the <b>High Street Digital Health Index across Northern Ireland by 2020</b> to assess the competitiveness of our local high streets and understand how opportunities and economic value can be created through digital developments.   |
| Tourism Sector Deal | A <b>Tourism Sector Deal</b> should be included in the Industrial Strategy for Northern Ireland.  |

## NEXT STEPS

All the objectives we have outlined are critical to achieving our vision but there are several that could have a transformational impact on our economy. We urge government to take action on these as a priority.

**Enterprise Zones** are proven ways of revitalising local communities by attracting investment through incentives and a superior infrastructure. There are Enterprise Zones in every region of the UK with only one in Northern Ireland and this is a disadvantage we urgently need to address.

**Central Cardiff Enterprise Zone was established in 2011 with the ambition to create one of the UK's premier locations for the financial and professional services sector. It aimed to attract new investment, facilitate the development of new, high-grade offices and develop infrastructure to create new high-quality sustainable jobs.**

The Enterprise Zone has radically changed the fortunes of the area by providing financial incentives to both established and start-up businesses, skills development incentives and access to skills, as well as competitive property costs and a high-quality infrastructure. It has attracted almost £80m of investment from the Welsh Government and over £12.5m private sector investment.

Building on this success, there are now a total of 8 Welsh Enterprise Zones.



Horizon scanning helps us understand uncertainties better by looking to emerging developments that show how the future might look. Establishing a **Horizon Scanning Advisory Group** in Northern Ireland with the ability to commission research and seek expert advice would allow us to anticipate and take advantage of emerging opportunities at an early stage.

**The UK Cabinet Office has a Horizon Scanning Programme Team which systematically investigates evidence about future trends, allowing government to ensure policies meet future requirements.**

The team brings external expertise from outside government to gain new insights and challenge current thinking. It brings emerging issues to a senior audience and coordinates working between departments. Ministerial oversight is provided by the Minister for the Cabinet Office.

To date they have considered how areas including Artificial Intelligence and Big Data are likely to impact different policy areas.

Leveraging the unique identity of a place can help build an economy by attracting inward investment through playing to the strengths of that area. We only need to look at our close neighbours in the Republic of Ireland and Scotland for evidence of this. Northern Ireland has a lot to offer that we can capitalise upon. Our universities are among the best in the world and there are strong links between our universities, industry and professional bodies. Northern Ireland remains the cheapest place in the UK to purchase property and has low rental values. We are also among the first in the UK to have 5G connectivity. We have an opportunity to position ourselves as a unique gateway to Europe post-Brexit and should take advantage of that opportunity by developing a **unique identity for Northern Ireland**.

Northern Ireland businesses are missing out on the benefits of the **Apprenticeship Levy**, despite contributing millions of pounds to the fund. The pot of money is available to all employers, including those with a wage bill of less than £3m who don't pay the levy. Yet distribution of the levy has not been finalised in Northern Ireland. While other parts of the United Kingdom have flexible workplace development funds in place to provide skills training, Northern Ireland has no way of ensuring employers can get value for the money that they are paying in. This is another area that must be addressed urgently.

**In Australia and Norway, group training organisations are used as intermediary bodies to manage apprenticeship contracts with government.**

This shifts the legal obligation and administrative burden to these collective organisations, which are able to use economies of scale to offer a full suite of training services as well as support to SMEs. It also enables flexible apprenticeship frameworks, where an individual apprentice can work across firms within a sector or place, gaining several different workplace experiences.

A Tourism Sector Deal in the Industrial Strategy for Northern Ireland would provide the support and stimulus to enable tourism in Northern Ireland to reach its full potential and deliver growth of over £1bn over the next ten years.

**The Westminster Government is already working with the tourism industry in Great Britain to devise a Tourism Sector Deal as part of the UK Industrial Strategy. A similar sector deal for Northern Ireland is vital to ensure tourism is supported by government as a key economic driver.**

Sector Deals are a partnership between the government and an industry on its plans for the future and how it can work together to secure long-term strategic outcomes.

The GB Tourism Sector Deal does this in the following ways:

**Tourism Zones:** a new idea which would help bring together locations of real success and areas that need more intervention. They concentrate on strong local leadership with LEPs, building product, extending the shoulder season and fixing local transport issues with planning laws reflecting strong tourism economies.

**Productivity:** a clear plan to extend the seasons, making British tourism product more efficient, for longer. A new plan for Business Visits and Events (a sector already worth £42.3bn), helps to boost areas across the country through long-term planning improvements and skills development to aid retention and help keep staff within the industry.

**Skills Campaign:** a big, industry-led 10-year campaign to shift perceptions about tourism and hospitality jobs and to encourage more people to join the industry. It will also look to include tourism and hospitality in the Government's new T-Levels, apprenticeship schemes and to get many more industry figures out into schools and colleges to promote the industry.

**Connectivity:** a commitment to extending visas to key markets, a more intelligent ETA (Electronic Travel Authorisation) system, better surface access to airports, fixing the 'rail final mile' issue, better and improved rail ticketing processes and a clear drive towards digital connectivity across the whole country for the tourism industry.

These should be a priority for an incoming Executive but in the absence of a local administration, we call on Westminster to take action. If we are ever to break the cycle of limited economic growth and realise our true potential, then we need major investment by the UK Government and possibly the Irish Government and the EU to make this happen. To enable a new Stormont administration to tackle all of these challenges a **Prosperity Investment Fund** should be established as part of a new Good Friday Agreement for the 21st century. This could be used to fund significant investment necessary to support much-needed major infrastructure projects.

Our economic vision for Northern Ireland between now and 2030 will create a sustainable, supportive, global, revitalised economy. We are undoubtedly in turbulent times and we do not know what is around the next corner but taking a long-term and strategic perspective will help equip us for whatever challenges we encounter. We look forward to contributing to a positive future and this 10-year plan is only the beginning of our contribution.

Last year we outlined our joint plan of action in **'A New Deal For Northern Ireland'**. This document was launched at a reception of more than 200 MPs, Peers, Diplomats and local business owners and set out our position on productivity, regulation, accountability and skills. It highlighted those areas which need urgent attention from government to boost Northern Ireland's economy and increase productivity levels.

Our Vision for 2030 looks much further into the future and consolidates our collective ambitions for Northern Ireland. It is a further call to action to government in the context of the significant ongoing uncertainty faced by the sectors we represent and the wider business base across Northern Ireland. This does not mean we can stand back and wait for our vision to be realised. We will continue to review progress in realising our long-term ambitions for Northern Ireland and will continue to press decision-makers to take action. We will also continue to revisit how developments in our global and local contexts impact our vision and how it is realised because the world does not stand still, and neither can we. Now is a time for action and regeneration. This is an important time to celebrate all that is good and positive about what we have to offer in Northern Ireland, and we look forward to constructively and positively shaping the future of our economy.



This report has been produced on behalf of Trade NI by Orryx. Orryx is a specialist innovation practice that works alongside both private businesses and government organisations, helping them innovate and prepare for the future, specialising in transformation, change management and project management. We are passionate about innovation and are experienced in helping our clients both realise and capitalise on their innovation capability, at a time when it is needed most. Our Managing Director (Dr Kelly Clark) is represented on the UK Committee that contributes to the development of the new international ISO Standards for Innovation Management and is also the only licensed Innovation360 practitioner in Northern Ireland.





**#VISION2030**