

Committee on Enterprise Trade and Investment Inquiry

Growing the Economy and Creating Jobs with Lower Corporation Tax



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What's the ambition?

“Europe must re-industrialize. The target is 20% of GDP”.

EU Director General for Enterprise and Industry, Daniel Calleja Crespo

Manufacturing currently represents an estimated 12.5% of GDP. Just think what achieving 20% would do for the local economy and for communities right across Northern Ireland!

But, this is only possible if we resolve the issue of competitiveness.



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How do we get there?

The issue isn't one of demand, quality of innovation...

...the issue is the cost of doing business.

Richard Ramsay, Chief Economist, Ulster Bank



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MNI's is open to work with the Assembly to...

Create the most competitive region in Europe in which to start, sustain and grow a manufacturing business, thus creating wealth and work.



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How do we get there? Headline actions



3 policy gaps...





Rates

What's Needed?

Investment is stalled whilst there remains long term uncertainty - industrial de-rating needs locked in legislation.



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Rates

How are we going?

As a pre-accession relief, this is a positive point of difference. Certainty will see investment provided the promised savings from RPA are realised.



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Rates

Actions Required?

- Industrial de-rating needs to be secured for the long term through legislation
- The 'rate in the pound' should not exceed current levels.
- Continuing policy of holding of district rate level
- Demonstrable economies of scale from RPA through reducing/holding local rate poundage.





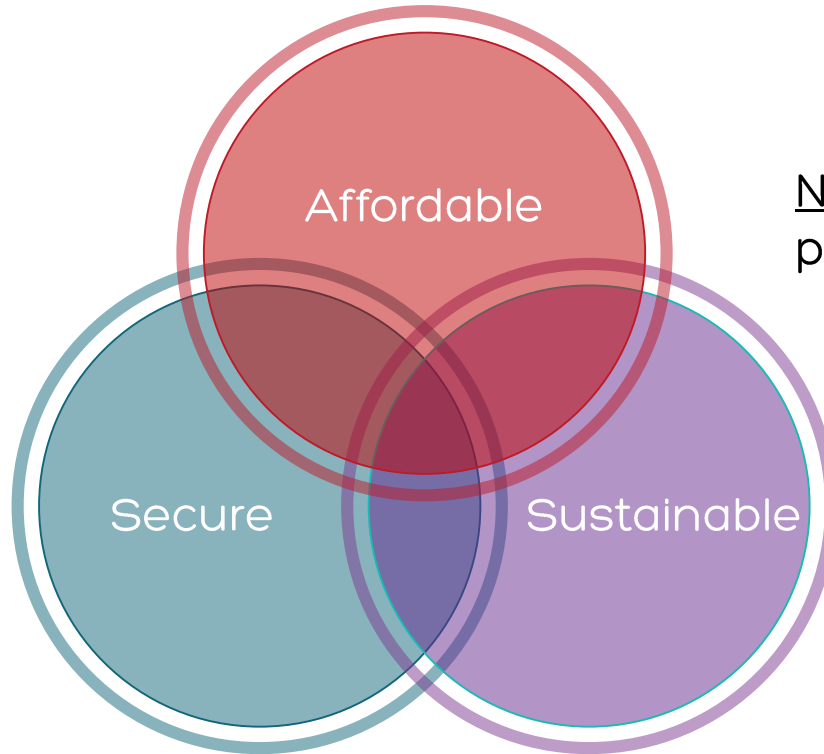
What's needed?

Energy prices, specifically electricity, which is competitive within Europe.



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Energy



Minimum standard of security

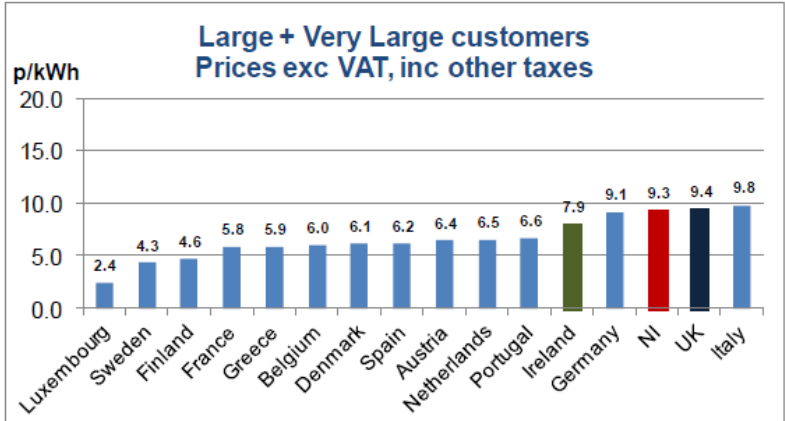
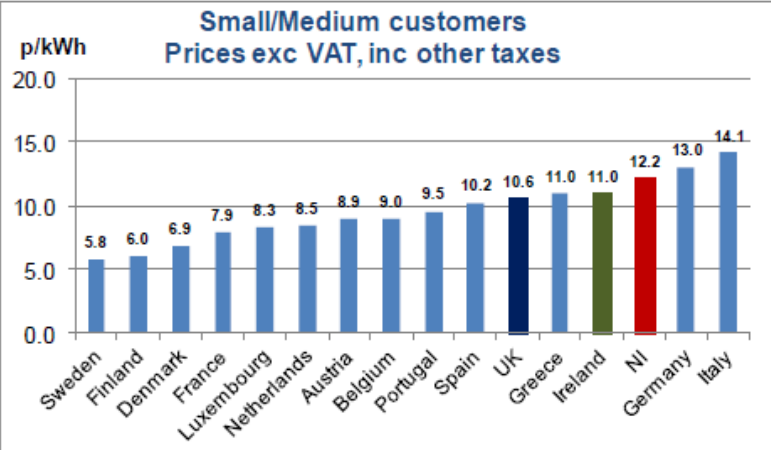
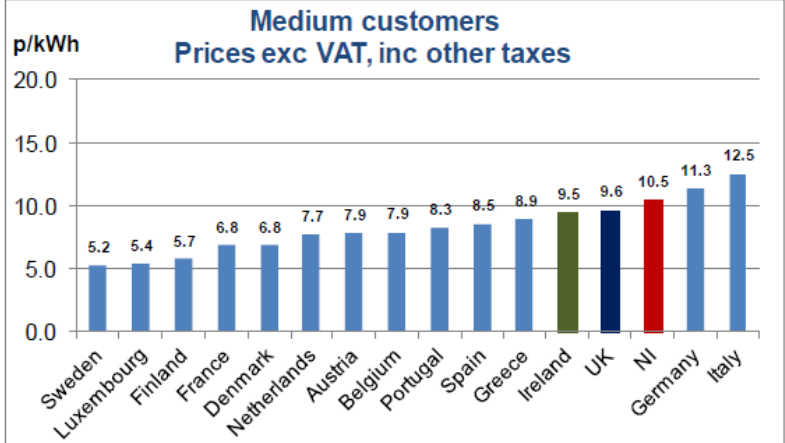
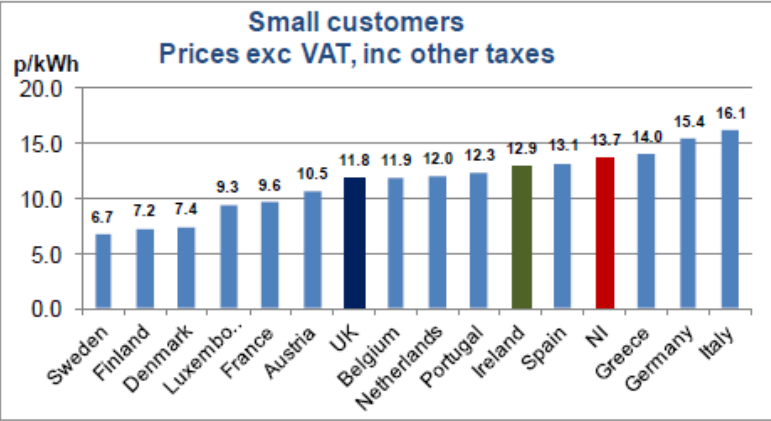
NO target on price

40% from renewables by 2020





How are we doing?





Actions required?

- Set a target on competitive price
- Get control of generator margins
- Drive efficiencies in how market operates
- Support demand reduction / AGUs
- Avoid unnecessary additional costs
- Break monopolies
- Allocate costs to support business





Labour

What's needed?

Greater investment in providing a skilled workforce - at all levels - and an employment law regime which encourages permanent jobs.



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Labour

How are we doing?

Ranked 45th (compared to GB ranking 5th) in labour market efficiency; jobs remain unfilled and labour imported; careers in manufacturing undervalued.



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Labour

Actions required?

- A fit for purpose employment law regime
- Greater availability of quality leadership, management, specialist training and apprenticeships.
- Closer working between education and business supported by an expert panel of employers
- An enhanced profile for apprenticeships.
- Funding should move to employers
- Prioritise and protect STEM apprenticeships.
- Investment in 3rd level study where manufacturers are based.



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What's needed?

The physical and enterprise support infrastructure which serves business effectively.



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How are we doing?

Delivery of strategically important infrastructure is too slow or not funded; Department 'gold-plating' whilst other regions are agile



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Other

Actions required?

- Agile ways to support in capital investment.
- 'Supercharge' thru enhanced capital allowances.
- Simplified and streamlined processes of applying for government support schemes.
- A start to the strategic road projects
- Efficient delivery of energy infrastructural
- Investigation into the costs of ferry travel.
- Single, capital projects delivery body.



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We will deliver:

- More wealth and work across Northern Ireland
- Modernised production facilities
- Greater contribution to GDP
- Sub-regional development
- Quality, well paid employment
- An investment in skills
- Capital Investment
- A reduction carbonised emission

But we need:

- A cross cutting Manufacturing Strategy and a cost competitive environment
- A long term commitment on de-rating
- Competitive energy prices
- Improved infrastructure
- Facilitative employment law
- Investment in training at all levels
- More agile enterprise support
- Efficient utilities and an electricity market that works for customers

Reminder of our priority area and the 3 policy gaps...



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Thank you!
Questions?



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