



Mr Jim McManus
Clerk to the Committee for Enterprise, Trade and
Investment
Northern Ireland Assembly
Room 375, Parliament Buildings
Ballymascaw
Stormont
Belfast
BT4 3XX

2 March 2015

Dear Mr McManus

Thank you for your letter of 23 January 2015 in relation to the Committee for Enterprise, Trade and Investment's [ETI] inquiry to consider the potential for economic growth and job creation following a reduction in the corporation tax rate in Northern Ireland.

As you will be aware, Grow NI is an umbrella organisation representing most of the business organisations in Northern Ireland and was formed in 2011 as a vehicle to lobby for the devolution of corporation tax rate varying powers to the Assembly.

Grow NI is very pleased that the UK Government has now legislated for corporation tax rate varying powers to be granted to the Assembly. Whilst these powers will not be available for use until 1 April 2017, ETI has quite rightly identified the next two years as a key time with which to prepare for a lower rate of corporation tax.

The member organisations of Grow NI have each clearly indicated that a lower rate of corporation tax will be a hugely significant event and should be a significant catalyst in the rebalancing of the Northern Ireland economy. However, each organisation fully recognises that a lower corporation tax rate by itself will not be a panacea to private sector growth or economic prosperity. Grow NI therefore greatly welcomes the Committee's inquiry into what other measures can be put in place to maximise the catalytic effect that a low corporation tax should facilitate.

The member organisations of Grow NI will make individual submissions to ETI to identify both sectoral and geographical suggestions. This submission will focus on the issues highlighted by ETI at a Northern Ireland level.

As the members of ETI will no doubt appreciate, there have been a significant number of reports, studies and economic reviews carried out in relation to the Northern Ireland economy over the last five decades.

It is therefore vital that the output of the ETI inquiry should be in the format of an action plan as opposed to a policy document or a report. If the output of the inquiry is to truly attract investment, grow the economy and create jobs, then the output from the Committee must result in tangible actions which can be swiftly and easily implemented in the two year timeframe prior to the reduction in the rate of corporation

tax. The production of a long, detailed and all-embracing report will have considerably less impact than a short, focused and achievable action plan. Grow NI would therefore urge the Committee to focus now on what can be effectively achieved in the short term and then subsequently consider medium to long term actions.

In line with our call for the production of a short term action plan, the Grow NI submission which is contained in the attached Appendix, is a high level summary of the suggested actions that can be most effectively influenced by the NI Assembly in the next two years.

We trust that this submission will be of assistance to the inquiries deliberations.

Yours sincerely



Eamonn Donaghy
for GrowNI

Appendix I

| | Key area to consider | Key economic drivers | Suggested action plan |
|--|--|--|-----------------------|
| <p>1. What are the key economic drivers (other than low corporation tax) that the Executive can influence in order to maximise the potential of Northern Ireland to attract inward investment, grow the economy and create jobs?</p> | <p>Business Regulation</p> <p>Government Support (practical)</p> <p>Higher and Further Education</p> <p>Skills and Education</p> | <ul style="list-style-type: none"> • Fast track planning permission for FDI projects • Fast track Visa application for FDI employees • One stop shop business registration for all Government bodies (including HMRC) <ul style="list-style-type: none"> • Set up an Assembly cross cutting Committee to co-ordinate FDI activity • Set up a mobile response team (to include senior politicians) for FDI enquiries to include visiting significant FDI prospects • Set up a one stop shop for FDI enquiries • INI and DETI representatives to sit on each University board • Set up a single point of contact to facilitate employer skills needs with education establishment availability • Subsidise graduate fees for STEM subjects • Create a road map for all 16 year old students identifying available career choices | |

NOTE: There is limited scope for short term actions in relation to several of the economic drivers identified in the call for submission. The four drivers highlighted are ones where short term actions could make a significant difference to the FDI offering in Northern Ireland

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| 2. | Which of these key economic drivers are considered priorities for the manufacturing sector? | The actions identified in 1 above should be applicable to all sections of FDI |
| 3. | Which of these key economic drivers are considered priorities for the services sector? | The actions identified in 1 above should be applicable to all sections of FDI |
| 4. | How well is each of the priority economic drivers currently developed in Northern Ireland to support inward investment, economic growth and job creation? | Whilst business regulation in Northern Ireland is well documented, it is voluminous and disparate. The ability to consolidate processes and offer this to FDI would greatly facilitate the attractiveness of locating in Northern Ireland Investment in education and skills needs to be more focussed on the current and future needs of employers. Better and closer collaboration between INI/DETI and the higher and further education establishments will reduce the lead time between employer needs and education/skills delivery |
| 5. | What actions need to be taken, and by whom, to address gaps in the priority economic drivers? | A cross cutting committee should be formed to facilitate the creation of fast tracking processes and one stop shop facilitation A cross cutting committee should be formed to focus on attracting and facilitating FDI The New Department of Economy should focus on facilitating more direct strategic and operational links with the Universities and Education Establishments. |