



Northern Ireland
Assembly

Committee for Enterprise, Trade and
Investment

OFFICIAL REPORT (Hansard)

Exports: DETI/Invest NI Briefing

20 February 2014

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Patsy McGlone (Chairperson)
Mr Phil Flanagan (Deputy Chairperson)
Mr Steven Agnew
Mr Sydney Anderson
Mr Sammy Douglas
Mr Gordon Dunne
Mr Paul Frew
Mrs Sandra Overend

Witnesses:

Mr Shane Murphy	Department of Enterprise, Trade and Investment
Mr Phil Rodgers	Department of Enterprise, Trade and Investment
Dr Vicky Kell	Invest NI
Mr Nigel Sands	Invest NI

The Chairperson: Briefing the Committee today are Dr Vicky Kell, international trade director, and Nigel Sands, head of international trade divisional services, from Invest NI. From the Department of Enterprise, Trade and Investment (DETI), we have Shane Murphy, head of the economic policy division, and Phil Rodgers, head of the economic policy unit. You are all welcome, and thank you for attending. It is good to see you. We heard from some of your colleagues last week, and we anticipate hearing from you in some detail. I am sure that the departmental Assembly liaison officer (DALO), who is your colleague, has told you the format. You will have up to 10 minutes to make a presentation, and then we will have a question-and-answer session. I know that some of you have been here before and may be seasoned hands in front of the Committee. Please continue.

Mr Shane Murphy (Department of Enterprise, Trade and Investment): Thank you, Chair. With your permission, I will start by saying a few words at departmental level before passing over to Vicky, who will go into some of the things that Invest NI does on trade.

At the highest level, we have the Programme for Government (PFG), which identifies growing the economy as our number one priority. The economic strategy prioritises export-led growth as a means of improving our growth and competitiveness here in Northern Ireland. Supporting exports is about stimulating export-led growth through raising productivity by encouraging investment in skills, R&D, innovation and by encouraging local firms to enter new markets.

The economic strategy sets out a number of commitments on diversifying and deepening our exports. Three highlights in those are the PFG target to increase manufacturing exports by 20%; the

corresponding 60% target on emerging economies; and the commitment to develop an agrifood strategy to boost exports from that sector by 2020.

You will be well aware that some of those targets, particularly that in the Programme for Government for the 20% increase, are not on track to be met. Progress on that in 2012-13 was very tough, and that was linked primarily to the downturn in both the Republic of Ireland and the eurozone, which account for a large proportion of our exports. Although performance has improved since 2012-13, it would be difficult to predict that the extent of the recovery since then will make up for that lost ground.

Outside the target, external sales to Great Britain were relatively strong during 2012-13. However, although sales were useful and good for Northern Ireland, they are not necessarily captured in that target. That has, of course led, to a greater focus on exports.

The Northern Ireland economic strategy states that:

"The Strategy will be underpinned by relevant Action Plans and related strategies to progress each of the Executive's economic priorities."

There is a proposal that, working with others, DETI and Invest NI will produce an action plan that will take together a number of strands of work that are coming to fruition. They will produce an action plan to support exports going forward. That will be for not just the rest of this PFG period but the next Programme for Government period, which it is probably more orientated towards. Action on exports has a certain time lag, which I am sure Vicky will talk about later. Exports do not happen overnight for a company; they tend to involve a lot of time and effort. So, supported help for companies now will not bear the fruit of exports and sales for maybe a couple of years.

A lot of things are coming to fruition for the action plan. We absolutely welcome the report that the Northern Ireland Chamber of Commerce produced. Any new ideas and suggestions are always welcome, and they will be looked at seriously when that action plan is being put together.

At this point, I am happy to hand over to Vicky, who will say a bit more about Invest NI's activities and programmes on the ground.

Dr Vicky Kell (Invest NI): Thanks, Shane. Chairman and Committee members, I would like to make you aware of some of the activities that we are undertaking to help Northern Ireland exports. You all have a copy of the presentation that was sent. I will base my comments on that, but I will not go into detail on every slide. As highlighted in the chamber's report, like many regions of the United Kingdom, we face a number of challenges in growing our exports. We are a small regional economy in a post-recession environment. That has, in some ways, added to the challenges that we face.

I will draw your attention to the first slide in our presentation, which shows a map of the world. You will see that the map is split into four territories, represented by four different colours. We have divided the map into four territories to show that we have different teams and different people responsible for each territory. You will also see on that slide the offices and locations that we have across the globe. We have 18 locations in all. In addition, we have in-market advisers in a further nine locations whom we can use to help Northern Ireland companies to penetrate those markets. Following the signing of a memorandum of understanding, we also have access to UK Trade and Investment (UKTI) advisers and to Enterprise Ireland advisers.

We are able to utilise those in-market resources to deliver trade missions for companies and — again, I think that this is in the notes that you received — the programme of events that we run on an annual basis. We also have attendance at major, internationally renowned exhibitions, where our companies are given a chance to showcase their products and offerings. We also develop tailored support for specific companies to allow them to penetrate niche markets for their expertise and offerings.

We divide what we offer companies into, effectively, four broad categories. However, I will not go into detail on each of them. You will see from your notes that we help companies with market intelligence and sector knowledge so that they get a strategic overview of what the global opportunities are. They can then identify which ones to focus on and try to penetrate. Through market research that is carried out here in Northern Ireland and in-market, we help them to understand the opportunities. We also help them to develop the skills and expertise that they need through capability development actions, which can be through one-to-one advisory support or workshops and mentoring. We help them to get into the market through trade missions, exhibitions and specialised visits to the markets. We can then help them to penetrate the market and the opportunity deeper by using the in-market resource that we

have. As I said, in your packs there are details on those sections and the financial contributions that we give to companies under each of them, but I will not go into detail on those.

We offer some support to Northern Ireland companies that is not available in England, Scotland, Wales or, indeed, the Republic of Ireland, including translation support and legal advice for companies looking at export contracts. The second slide is a block diagram that shows the importance of the different export markets. The diagram on the right shows a number of what we call emerging markets; that is, markets whose importance is increasing for our exports. On the right-hand side of the diagram you will see that the Republic of Ireland (ROI) is a very important export market for our companies. It is very often a starter market for Northern Ireland companies, because it is easy to get to across the border. That is an important market, but so too is GB. Obviously, GB exports do not show up in export figures, but we know that a number of our companies transferred their focus from ROI during the economic recession to GB, especially in construction. We have acted accordingly to help them to access contracts that are available in GB in that particular area.

Before I move away from the importance of the different export markets, I will mention one aspect that is worth bearing in mind as we look at this information. We use HMRC figures to determine Northern Ireland exports to the relevant markets. Those figures are recorded according to the point of disembarkation, not necessarily the point of destination. So, if we are going to ship goods out from the Republic of Ireland, that will be shown as an export to the Republic of Ireland, even though their ultimate destination could be Dubai, South Africa or America. That is one point to remember whenever you are looking at that information. Northern Ireland has important links with the Republic of Ireland, and it is an important export market. However, included in that figure could be some sales that are related to what is called the "Rotterdam effect". Obviously, that can happen with exports to GB, because some companies may ship goods to GB. That means that they would not show up as exports and that they are shipped on from there. So, that is worth bearing in mind.

I will skip through the detail of how we help companies and ask you to move to the next slide, which has a pie diagram and "Europe and Russia" as its heading. We do this for each of the four territories; I will talk about Europe and Russia, but we replicate it for each of the territories. We look at the opportunities that exist in a particular market, we analyse the growth trends in the market and then relate it back to Northern Ireland expertise. Obviously, there are potential opportunities in every market but not all of them suit Northern Ireland experience and expertise and what our Northern Ireland companies have to offer. Using that intelligence, we will then drill into the key markets in a particular territory that will be important to Northern Ireland.

The next slide, which is entitled "Europe and Russia — Market Focus", shows what we have analysed and determined to be the primary and secondary markets in that territory. Those are the markets that we will put more focus on. Although there may be opportunities in other markets, they are not as good a fit for Northern Ireland companies, so our focus goes on those primary markets and then on the secondary markets, which will be accorded primary status over the coming years.

The next slide is entitled "Europe and Russia — Sector Focus", and you can see from that that we are able to analyse those markets and to say what the key sectors are for those markets. So, rather than taking a scattergun approach to deciding where to bring Northern Ireland companies, we are drilling down to identify those markets on which it is best to focus and those sectors that are best aligned to those markets. We bring the two together, and that is what dictates our international programme and where we take companies. That is repeated for each of the four territories; I will not go into detail on each of them, because you have the information in your packs.

If you turn to the second last slide, I will summarise some of the impact that we have had. There have been some recent successes. In Russia, Andor Technology has been awarded a contract for a quarter of a million pounds. Two contracts were awarded last July to supply scientific cameras to leading research institutes in Moscow. For Asia Pacific and Indonesia, Thales has had a major contract awarded with the Indonesian Ministry of Defence. Last week, when Minister Foster was leading the trade mission, she got the opportunity to meet the Indonesian Defence Minister in Jakarta to thank him for choosing Thales and for helping build the relationship, which is so important in that particular market.

In the Americas, FM Environmental has sales of three quarters of a million pounds from its grease removal water treatment system, which it is now supplying to Walmart. It supplies 200 stores across Mexico. In South Africa, Edge Innovate has a £2 million deal for recycling equipment to a distributor in Johannesburg. There is something that is not on the slide but that I think is worth mentioning. That is that, based on what happened last week, Singapore is an important market for Wrightbus. Wrightbus

is supplying 1,000 buses to Singapore by 2015. I know that the party that was out in Singapore last week noticed the number of Wrightbus buses on the Singapore streets, which was great to see.

There are successes, and some of those illustrated are the major ones. We have other successes that relate to smaller companies, and it is important that we are bringing all the companies through to really maximise export opportunity.

The last slide focuses on some of the challenges that exist. Some of that relates to getting access to the relevant data. I mentioned some of the nuances with the HMRC data, which we need to be aware of. GB is obviously an important market to us, which we class as external sales. However, getting information on that is difficult, because it is not recorded through HMRC, so we are working with our colleagues to get mechanisms to allow us to tease that out.

Where service-based exports are concerned, the service industry is a very important part of the Northern Ireland economy. However, HMRC obviously looks at products that are shipped, so it does not give us any measure of service exports. Again, we are working with our colleagues to try to get that information.

The key point is the number of companies that are exporting. I think that everybody would agree that we need more companies to export. This is a challenge that we face in Northern Ireland, and it is also faced in England, Wales and Scotland. In fact, all the regions have recorded a drop in the number of exporters over recent years. We need to increase that and to bring more companies into that export pool. We will continue to work with partners, such as the Chamber of Commerce, councils and InterTradelreland to deliver a continuum of support for companies. In that continuum, we need to make it easy for companies to know where to go to get help. That is an important element of what we need to do going forward. We are making inroads, but we need to do more.

The Chairperson: Thanks very much for that. Just on the PFG targets, one of the things that have consistently come up here at this Committee is energy costs. The 10 companies that account for 50% of exports are, by their very nature, large energy users. They include Bombardier and Michelin and those types of companies. If, for example, one of those companies was to leave the North, citing, as some have done, the pressures that they are under and their energy costs, what impact would that have on the export figures that you are presenting to us? Based on that, what do you feel could or should be done to alleviate the energy cost issues for those big companies?

Dr Kell: I will start off on that. It would have a significant impact on the export figures. It is evident in the export figures that, if one of the larger exporters has a little hiccup, there is an immediate, huge impact on the HMRC information that is presented. So, there is no doubt that it would have a big impact on Northern Ireland exports.

In addressing that — I will not go into detail, because this is not an area that I have worked in — I know that steps are being taken in Invest Northern Ireland, in collaboration with the universities, to help companies to improve efficiencies in the utilisation of fuel and energy. I will hand over to Shane to give more detail on that.

Mr Murphy: I am not sure how much further I can go. Energy, thankfully, does not come under my remit in the Department. About a year ago, the Utility Regulator published information that highlighted the costs differential faced by large users and similar companies elsewhere in Europe. As Vicky said, if some of our largest companies left, not only would there be a significant impact on exports but there would be consequences for employment. If the impact on employment is concentrated in some areas, the effects will go much wider.

I am not sure that I can answer your question about what the Department can do: I am not the best person to do that. We could seek some input from others in the Department who are better placed to understand what the work from the regulator might come out with.

The Chairperson: Energy costs have been raised with us as quite a significant concern for some of the major players. I am sure that somebody somewhere in the Department has considered the issue. I am a wee bit surprised that, between DETI and Invest NI, there has not been a confab about mitigating measures that could be put in place to retain the big companies and to make sure that the issue is not a major obstacle to further overseas investment through foreign direct investment (FDI).

Mr Murphy: To be clear: I am not suggesting that nothing has been done. I am suggesting that we are not the best people to answer that question.

The Chairperson: Will you make sure that we receive a briefing or are provided with some details on any ideas that are being considered by the Department?

Mr Murphy: Absolutely. We can take that back to the Department.

Mr Dunne: Folks, thanks for coming in today. We appreciate your efforts. At a meeting a couple of weeks ago, the Chamber of Commerce made great play about the Department not having a plan for exports. What is your response to that? Is DETI drafting such a plan?

Mr Murphy: We absolutely have plans for an export action plan. My earlier statement referred to our plans for strategies and action plans in a number of key areas. We had the option of taking actions on exports through within a wider enterprise strategy. That was to follow on from the corporation tax decision. However, with the corporation tax decision being deferred, the call was made that we should take forward an action plan on priority areas that could not wait for a corporation tax decision to remove some of the uncertainty with the landscape.

As I said, one of those areas is exports. A number of pieces of work are coming together that will inform that. Those include planned improvements in measurement by the Northern Ireland Statistics and Research Agency (NISRA) and through internal work in DETI. Research is coming to a head this month on target markets for Northern Ireland business and market entry strategies for the 10 best opportunities across the world.

We also have at our disposal recently published research by InterTradeIreland on analysis of the key features of exporting small and medium-sized businesses (SMEs) on the island. We have an evaluation and business case on Invest NI activities and programmes, and we want to feed other evidence from the Chamber of Commerce into that. All that work will feed into the plan. That list is not necessarily exhaustive, and Vicky may want to add something.

Dr Kell: We have been looking at how we deal with companies. I mentioned that we have split the world into four territories and are progressing those to identify primary and secondary markets. More intelligence is coming through, and we have strategies for each of those territories and sectors, which will feed into the overall plan. We also provide support for potential exporters on how we can get them to operate on an international basis. We are doing some work on lower strategic-type activities that will feed into the overall strategy. Much progress has been made on the building blocks that can then feed together. As Shane said, evidence from different sources is helpful.

Mr Dunne: Has there been a two-way process between you and the Chamber of Commerce?

Dr Kell: We interact regularly with the chamber. We presented our strategy to the chamber in October last year. We are in progress with the chamber to put a regional coordinator in place, which is part of the British chambers initiative. It is putting nine regional coordinators in place in England and has offered one regional coordinator for each devolved Administration. That coordinator will then act as a conduit between the chamber and Invest Northern Ireland in training companies to deliver the right type of support for them at the right stage of development.

Mr Dunne: Who is supporting the coordinators?

Dr Kell: UKTI and the British chambers. It is a joint initiative.

Mr Dunne: It will fund it.

Dr Kell: UKTI is funding the regional coordinator.

Mr Dunne: That is good.

I have a couple of further points. As we all know, the vast majority of businesses in Northern Ireland are SMEs. Many of them tend not to export for various reasons. One of the main reasons is that they are very busy people doing a day job and do not have a lot of resources to organise themselves and to look at other markets. What more can be done to try to get SMEs looking outside the box and to

spread their net? I understand that 10 companies in Northern Ireland account for about 50% of exports. You probably mentioned a number of those in your presentation, and we certainly commend the good work that you have done in working with those companies. We hear a lot about SMEs and the need to support them with R&D funding, and so on, but what more can be done to try to increase their uptake on exports?

The Chairperson: Before you answer that, Mrs Overend wants to ask a question. Gordon, I will bring in Sandra, because we had outlined that this would be her area.

Mrs Overend: That is fine. Gordon, I know that you are also very interested in this area. It is a big concern, and I raised it with the Chamber of Commerce at our recent meeting. It is probably easy for big companies to export, and you have built up a rapport with those companies and can continue to help them. Maybe they can cope by themselves for a while. How do you reach out to the SMEs and get them to think about exporting? There are so many small companies. From the middle of nowhere in mid-Ulster, companies are exporting ploughs worldwide. It is about getting to those SMEs and making them realise that people want what they are making. How do you reach out to those companies?

The Chairperson: Before you answer that, I have a point, and Sammy also has a question.

Mr Douglas: I am interested in exports to the Republic of Ireland. Will you tell us about your support for SMEs to export to the Republic of Ireland?

The Chairperson: On the back of the evidence that we received, I have one final point. To make the Committee's work more efficient, I am trying to conflate the issues and target the questions in order to avoid multiple answers. We had a businessman here as a witness, and his major issue was red tape. He had difficulties with exports and the multitude of paperwork involved. I am coming in on the back of Mr Dunne's and Mrs Overend's questions and want to hear about how you deal with that.

Dr Kell: I will try to address those issues as a composite, because different things need to be done to attract new exporters into the arena. You are right. It is a big challenge to get companies to realise that they can do it. We have found case studies very useful and helpful. If companies hear their peers describing what they have done and their successes, that has influential impact on them. We recently ran a campaign, which was originally under the Boosting Business brand and then progressed. We set up a dedicated helpline for companies. We found that that was a good way for companies to realise that it is possible for small companies to be successful in the international marketplace. We got quite a lot of calls. However, we still need to keep ensuring that people get the message.

We run business seminars. About three weeks ago, for example, we had 11 European advisers in Templepatrick. Companies were there to hear about opportunities. We present to companies a warts-and-all, real picture of the opportunities but also the issues that they need to think about. The companies were able to have one-to-one engagement with advisers from relevant markets and to follow up with them. So there are a number of ways in which we can try to get out the message about opportunities and help people to realise that they can also do it.

In Northern Ireland, we need to look at where we can join a number of events together to try to promote exports to companies. There are so many events that companies do not know which ones to attend, which dilutes the message. We need to look at how we can work better with all the partners who are looking at exports to get that message across and give the right focus to events.

On taking companies into the international marketplace, I mentioned that ROI is very often the first port of call for companies when they are looking at exporting. We have been running Acumen with InterTradelreland and Enterprise Ireland for a number of years. It is a programme whereby 50% funding is given to a company either to help with market research or to put a salesperson in situ in the company. You mentioned the importance of resource and time for companies to be successful in exporting. As 50% of the costs are met, this programme is a way in which they can get additional resource at a very favourable cost. They are also given help to define what they want that person to do. We find that that programme is a way to get companies on board to enable them to take that first step. However, we need to keep getting the message out. Companies need to know that that support is available to them. The most recent Acumen figures, which bring us to January, show that 43 businesses have received £300,000 of support in that area.

We also work on the food side. A lot of food companies look to the ROI market. We have food advisers in situ who help companies to get in and talk to some of the buyers in the larger multiples. That gives those companies access that they would not get on their own. We are able to open the doors to those large multiples and get companies in so that they have a chance of selling into them. We also do that in GB. I know that it is not an export market, but it is very often a starter market for people moving outside Northern Ireland. Again, we have food advisers who can open the doors to multiples such as Tesco, Sainsbury's and Harrods to get companies in front of key buyers.

We give specific help that is targeted towards companies taking those first steps. For a number of years, we have been running a programme called Going Dutch in which we really put our arms around the companies. We ensure that they have the right offering for the Dutch market, help them to develop that if it is not where it needs to be, and help them to develop their sales pitch, unique selling point (USP) and marketing material. They work in a group. They all have their individual plans, and we take them through those, but they are also able to coach and critique each other. They get that learning from each other and build their confidence in that way.

We arrange meeting schedules for them, take them out to the market and accompany them to meetings if needs be. We debrief them in-market after they have had the meetings, and, when they come back to Belfast, we ensure that they do the vital follow-up. Many companies come back to Northern Ireland and get back into business as usual and forget about the links. We ensure that they do the follow-up and have an action plan that they work through.

I think that some £200 million of business for Northern Ireland companies has been generated through the Going Dutch programme. We try to give the right support to companies at the right time. However, we need to work on getting companies into the mindset that they believe that they can export. We all have a role to play in that.

Mr Murphy: All the research indicates that that is very important. I will quote from InterTradeIreland's research:

"the key factor determining if a company will export is the drive and aspiration of the Key Decision Makers in the business."

It is a bit like your example in which there was not necessarily any rhyme or reason as to why a very small company in a very remote place is exporting while much bigger companies are exporting a lot less or perhaps not at all. So much of it depends on the managing director, the CEO or the owner and his or her drive and ambition to export. Those types of activities help to showcase the point that others can do it. If others can do it, they can do it.

Dr Kell: Absolutely. Someone asked a question about red tape. Each market has its own documentation requirements. We can and do advise companies on the requirements for each market. Others are experts in export documentation, and, indeed, the Northern Ireland Chamber of Commerce provides such documentation for Northern Ireland companies.

As I mentioned, we also provide up to £10,000 per annum of support to companies to get advice about legal contracts for export markets, because —

Mr Dunne: Licensing issues can often be a problem that means extra costs and the need for expertise. Is there support for that?

Dr Kell: The legal support that we offer can be used to help with that. We realise that that can a hurdle for companies that are taking the first steps.

The Chairperson: Mrs Overend, it is back to you. Can we make the answers and questions as concise and as sharp as possible?

Mrs Overend: Thank you. I have two separate follow-up questions. How does Invest Northern Ireland measure its additionality in support for exports? You mentioned that you were happy to work towards building a new action plan. What would you do differently?

Dr Kell: Additionality is a difficult thing to measure. We evaluate the support that we give to companies and get feedback from them. We have focused on trying to get evidence by questioning

companies about the strategic benefit that they have achieved from the support given and what they have been able to do that they would not otherwise have done. That is one way that we can try to measure that. However, as Shane said, we can work with a company, but it could be two years before it gets a contract. It is very hard to have those one to ones. We ensure that we get feedback from companies so that we can influence their future actions and help them to do things that they could not otherwise have done.

With the new action plan, we have taken steps and, over the past 18 months, we have been on a journey that we are not yet at the end of. As we build the action plan collectively, we may need to make tweaks in what we are doing that may influence the direction that we take on some of the things that we have started. I am not sitting here and saying that we will do this, that and the other differently, but we are very willing to take on board suggestions and evidence from other streams. We can build that in to the way we progress and continue to develop.

Mr Agnew: Thank you for the information so far. I want to discuss R&D and innovation. I do not know whether you followed our recent briefing from the Northern Ireland Chamber of Commerce, but we got very interesting evidence from Richard Bell of Solmatix. In fact, we went back and looked at some of our own research when we did our inquiry into R&D. There seem to be many sources of funding to support R&D, which, I suppose, on the surface, sounds like a good thing. It is great that those are available. However, when I asked Mr Bell to list some of those that he had looked at, he said that he would be here too long. He also said that, as a company, if he were going out to seek them, he would be there too long. Is any work being done to try to pull together some of those funding streams?

Mr Murphy: There are certainly a large number of support streams for innovation in general. There is a suite of Invest NI interventions. I am not the best person to speak about individual ones, but different ones are targeted at different types of company on their innovation journey. There are activities and support from universities, FE colleges and the likes of the folk down at the Science Park. There are lots of companies, some of which work together and some of which work with innovation providers in other parts of Europe. The landscape is complicated, which is one reason why we are considering an open innovation resource — I think that that is the term — within the innovation strategy.

A small group of providers could probably help businesses to navigate that complex landscape, and we see that as a potential way to make it a bit simpler for companies to link up. They have an innovation problem that they want to solve. It may not be a big R&D problem; it may be a design problem or a business model that they want to re-engineer. It could be lots of things. Some independent provider should be able to take them to the folks who could best help them to solve their problem. I absolutely accept that the landscape is complicated, and it is probably not apparent to us in DETI how we alone could simplify it. There are so many actors from so many parts of Northern Ireland with lots of links to lots of Departments and certain levels of independence. A practical solution to turn that into one nice one-stop shop does not seem to be an endeavour that is practicably doable within any reasonable timescale.

Mr Agnew: I take your point, and I looked at some of the funding streams last night. They certainly are diverse in how they are funded and who they are funded by. There is the public sector, the private sector and the EU. However, as they are all trying to achieve the same goal, is it not worth trying, particularly when it is departmental funding, to get the Department for Employment and Learning (DEL), the Department of Agriculture and Rural Development (DARD) and DETI together to start to look at some of the funding and ask, "Can we not pool some funds here? We are all trying to achieve the same things". Is that achievable, certainly in the short to medium term?

Mr Murphy: We are looking at that. It is not just funding sources but sources of help and innovation. Some companies do not necessarily need a pot of money to do research; they need somebody with ideas to solve their problem. Going to Vicky and her friends in Invest NI or to DARD for a pot of money to solve a problem is not necessarily the best solution. In many cases, the solution will be accessing the person with the brainpower, experience and contacts who can solve the problem. Maybe that problem has been solved in a different sector for a different reason. So I do not think that we are convinced that just putting funding together is the solution, because R&D is only one component, and not a major component, of innovation. Certainly, the innovation landscape is extremely complex and, as I indicated before, it is something that we are exercised about. We would like to put in place something to help firms navigate that maze.

Mr Agnew: I take the point that it is more than about funding, and I will come back to it. However, let me stick to funding for just a second longer. What we heard last week was:

"Little drips here and there do not do it for me as the owner of a small business."

That is how it was seen: there are lots of little pots, which is helpful up to a point but if you are past that point it is of no help at all, particularly if you have to spend a lot of time and resources trying to find the right pot for you. So, to some extent, the customer is always right, and the customer is telling us that it is not working for them — this particular customer, in any case.

Mr Murphy: Again, I understand that. Certainly, some of the pots are quite significant. I do not know the figures for R&D within Invest NI off the top of my head, but it is probably not far off the scale of selective financial assistance in terms of quantities of expenditure involved. The grant for R&D is very close to being the top or second-top spending programme within Invest NI, so some of the pots are very significant. However, I appreciate that, if someone from a company has a problem and they want to find someone to solve it, getting to the right person — as opposed to getting to a person — can be a difficult challenge.

Mr Agnew: OK. Let us move on. Accepting where we are —

The Chairperson: Quickly, Steven.

Mr Agnew: OK. It has been the Committee's opinion that we need to pull together those funding streams, and that has been put into our inquiry report. However, let us come to the situation as it is. I asked whether, when you go to Invest NI, you are guided through some of these processes — the hand-holding and the non-financial side of the resourcing. I was told that you have to go out and look for that yourself. Is that how it is from Invest NI's point of view? Why is it that way?

Dr Kell: For an easy point of contact, I mentioned the 0800 number which is now in situ. We have a business support team which fields the calls that come in from that. What they do when they receive a call is try to ascertain the issue that the customer on the other end of the line wants to resolve. They will take actions to try to put the customer in contact with the right person. The right person might not be within Invest Northern Ireland. It may be that the right mechanism of support lies outside. So they have regular updates on the full suite of support that is available within Northern Ireland, which is difficult, when you think of what can happen in council areas and economic development agencies. Things come and go. However, the team gets regular updates about the full suite that is available, so they endeavour to connect that person to the right area. If it is within Invest Northern Ireland, referral will be made to the appropriate area within Invest Northern Ireland, and I am conscious that we receive a lot of enquiries that come through in that manner, and we pick them up.

Mr Agnew: If it is not within Invest NI, is that person then off your books? I know that you said that your business support team has regular updates, but it seems to me that it is a hand-holding exercise. There are two parts to it: the funding, which we have touched on, and then the hand-holding through the process. If you are moving about from place to place, you are not necessarily getting that. The sense that we got was that you got the hand-holding at the start, but then you get to a point where you are blocking, and there is no one there. Does Invest NI make any effort to take the person on the whole journey, whether or not Invest NI gives the financial support? Does Invest NI give that hand-holding support, from design or whatever the early stages are, to going to market? There is a sense that firms get help at the start and with going to market, but there is a lot in the middle where they are on their own.

Dr Kell: Just to put that into a bit of perspective, the business support line receives just under 1,000 enquiries a month, which they are fielding. That is in addition to companies that already engage with Invest Northern Ireland and have an account manager through the means of the executive client manager. They are being routed through that way. Certainly, in relation to the help that is given to companies at the start, when that particular stage is finished, the next stage is discussed with the company. Very often, it is up to the company to decide to take the next stage. What we can find is that companies get to a certain point and they do not come back or take the next step to follow up. We would not just get to the point where we say, "Well, that is it; fine." There would be a mapped-out next stage with the company. However, the company needs to take the steps in the next stage.

Mr Agnew: This is my final question, Chair. It is a very brief one.

The Chairperson: Very quickly, please.

Mr Agnew: Is there a problem that Invest NI is helping too many people too little?

Dr Kell: We have different types of support for different people. We are very conscious that, with regard to the larger business base, we have a lot of what we term "one-to-many events". As people progress through their journey, development and sophistication, we get into different types of support. It is not as though everybody gets the same support. It is not one size fits all, by any means. Differing approaches are taken for the different categories of companies, based on their stage of development.

The Chairperson: I will just come in on the back of that. We have heard how disparate funding and indeed other resource sources can be. Can I just put something to you? When we had representatives from the Northern Ireland Consumer Council with us, they said that they believed that the Republic:

"are ahead because they have an export culture that everybody buys into from top to bottom; there is a continuum and joined-up thinking; all the Departments know their place; and everybody, all the way up to the Taoiseach, knows that that is the number one priority. Therefore, if an Irish company needs help in the export market, needs an obstacle removed or needs the road unblocked, it seems to me that everybody swings in with support, all the way to the top. That is where we should be, and we are not there yet."

Have you any comment to make on that? I will explain why I ask. Last week, we had a meeting with some of your colleagues. We touched on Horizon 2020 and the likes of that. We will not go there today, because that is not your field. Subsequent to that, I met a businessperson. I asked him specifically about support and measures on export and R&D, and he reflected exactly that. He does business on both parts of the island. He said it was like day and night. The culture is, "Can do, will do. Let us look at opportunities, openings and various sources." You have done work with Enterprise Ireland. It is the case that if you ring that person, that person is your mentor. Is there anything that we can learn? At what point do you feel that we could come up to that level or benchmark of performance?

Mr Murphy: I will make a brief comment on that. I think that we recognise that one of the themes in the draft innovation strategy is a change of culture in the public service, recognising that it is relatively cautious, if not very cautious. What you illustrate appears to be more of a can-do approach as opposed to an approach of asking, "Am I allowed to do it?" As is recognised in the draft strategy, it will not be an easy job to achieve that. Certainly, it will not be achieved overnight. It is certainly recognised. At least some of those sentiments are acknowledged to be a feature of public service at the minute, and potentially a feature that we could do with reshaping or moving on.

The Chairperson: That brings me to my next point: how? It is no reflection on public servants in any case. I have dealt with very good ones. However, how do we move to the next stage? That is where, as you know, many of the businesses — you have already said it — in the North export 60% to the South and use it as a launching pad for further exports elsewhere. That is how some of the figures can get muddled up a wee bit, as well. How do we up it to the next level of performance and to where we need to be if we are to be competitive in world markets and other EU markets for the future? How are the Department and Invest NI saying, "Right, take us there. We are going to go there. What are the steps towards that?"

Mr Murphy: I suspect that the answers will not be easily found. There are some indications of the steps that we will have to take across government. DETI works within a culture and a set of systems and rules that are pretty much common across all the Departments, and there is certainly a reflection in there that we need to do something. I cannot recall off the top of my head what early priorities are in there, but we can get back to you about the sorts of actions that are envisaged in the culture change element of the innovation strategy and indicate how they may address some of the sentiments expressed by the businesspeople who you spoke to.

The Chairperson: We can sit here all day and identify, but we know, by and large. All you have to do is go out and speak to the sharp-cookie businesspeople out there. They will tell you, if they have not already told you. Identification of the problem should not be a major issue for you, and identifying ways of dealing with that should not be a major issue for you. I am not saying that Enterprise Ireland is entirely without its shortcomings, but there are clearly good practices there that are tailored towards

businesses, whether on the R&D front, on drawdown of funding from Europe or on help, support and signposting. That good practice should be identified and can be identified. I am looking to hear from the Department, "Right. This is the issue. This is the problem. What are the solutions here? What are the ways forward? How can we up our game?"

Mr Phil Rodgers (Department of Enterprise, Trade and Investment): One of our objectives through the exports action plan will be to get to a situation where everybody is pulling in the one direction. It will not just be a DETI/Invest NI document; it will include other Departments and external stakeholders. That is the focus. From talking to Vicky in the past, I understand that Invest NI wants everybody to pull in the same direction to address the issues that you are highlighting.

Dr Kell: I can add some of the things that have been happening in relation to this. We are engaging with a lot of small businesses — and microbusinesses, which are fewer than 10 employees. In monetary value, £77 million has been put in to support those companies. We are engaging more and more with them on the export message, and we are utilising their peers to try to get that can-do attitude to filter across. In the Northern Ireland diaspora, we are utilising the connections to tap into resources both in Northern Ireland and overseas to help generate that can-do attitude. We have had a lot of good ministerial support through international visits, leading missions and leading exhibitions, and that helps to start to distil that can-do attitude throughout the population. There are sea changes in relation to taking it forward and in relation to the integration of the action plan. That is where we can take it to the next level.

The Chairperson: What is the time frame for establishing that cross-departmental and cross-agency approach?

Mr P Rodgers: As Shane said earlier, a number of pieces of work are coming to fruition at the minute. We hope to be in a position by the summer to at least have a draft to discuss with people.

Mr Murphy: That is the draft exports action plan.

Mr P Rodgers: The innovation strategy is obviously further down the road. It is nearing completion.

Mr Anderson: Thank you for your presentation. The Northern Ireland Chamber of Commerce provides support for companies that wish to export, and it states that it does not have the same sporadic difficulties as there are in the public sector in providing that support. Is there scope for government to fund private sector organisations such as the Northern Ireland Chamber of Commerce, FSB, CBI and suchlike to provide support to business, rather than delivering support directly?

Dr Kell: Even if we were funding them to do that, they would still have to comply with the same governance and EU requirements that we are subject to with regard to how we support companies. The fact that we would be funding them —

Mr Anderson: The bureaucratic difficulties would still exist. Do you see that?

Dr Kell: I am not sure exactly what is being referred to with regard to bureaucratic difficulties. We are undergoing an economic appraisal on the support that we provide for companies, and one of the things that it will do will be to identify the gaps in support. They are finalising the draft, and what we are getting from them at the minute is that there are no major gaps in the support that is there. I am not sure exactly what that is geared towards.

Mr Murphy: It is fair to say that, whether public money is given to Invest NI, a company or the chamber, it comes with certain standards and requirements, and that would be the same whether it was the chamber, and that is no reflection on the chamber. It comes as standard, and while there would be state aid rules as well, those would apply across the board. Again, that is no reflection on the chamber or anyone else. It is a set of standards that we must comply with.

Mr Anderson: They also believe in building networks, and I see that as crucial to exporting. They state that if a company is of sufficient scale or size, it can tap into the Invest NI network. If I am allowed to touch on the SMEs again, can they get the same level of support, despite them having offers from 12 or 14 different agencies? Would you wish to comment on that again?

Dr Kell: The export support for companies is available as long as they have the potential to export. Therefore, we will help any company that has the potential to export with their research and take them to the market at the right time, and they will get the same funding as someone who has been exporting to two or three other countries. As long as a company is able to do the research, understand what the opportunities are and identify the right market, we will work with it. That is for potential exporters as well as those already exporting.

Mr Anderson: You do not see that as a difficulty in that area, either?

Dr Kell: No.

Mr Anderson: They maybe see themselves as filling that gap. You would not agree with that.

Dr Kell: I am open to looking at working in partnership with people. I want to have a very clear landscape for businesses. They are the customer in this. Therefore, we need to ensure that businesses get the right help at the right time in the right way. If we can get more people working together to deliver what I would call that continuum for businesses, that is great. As long as people know the area that they are focusing on and we can all work together, I am more than happy to work with those people.

Mr Anderson: They may see themselves performing a role that they should not be performing and that you people should be performing. What do you have to say about that? Does Invest NI need to change its focus to provide more support to the SMEs? That is where they are coming from.

Dr Kell: If you look at our landscape, you will see that we are very much an SME economy. If you look at the number of companies that we support, you will see that they are all SMEs. Every company is falling into that category. If you look at the successes that we have had on the trade side of things, you will see that SMEs are being highlighted for their success, and that is who we work with.

Mr Anderson: The chamber has called for clarity around what the concept of an Invest NI client means. What is an Invest NI client? The Committee was under the impression that in the 2009 independent review of economic policy, the recommendation was to abolish the concept of an Invest NI client, and that that has been accepted and implemented. Is that the case?

Dr Kell: Invest NI deals with a wide range of companies, and different parts of Invest NI deal with different ranges of those companies. In relation to the trade and export side, we will deal with potential exporters and try to help them develop.

In relation to the definition of the Invest NI client, you are right, that has undergone review. We talk about account-managed clients and clients who are not account managed but who still engage with Invest NI. So, the concept of the Invest NI client is gone and we deal with the wider range of companies, but, again, it is about devoting the right sort of support to companies at the right stage of their development.

Mr Anderson: Thanks for that. I think you clarified the legal advice on up to £10,000 a year, but I think you mentioned the language barrier at the very beginning. Will you expand on what that means and what support you give?

Dr Kell: Again, we give up to £10,000 a year support at a rate of 50% for translation costs. We gear that towards companies moving into new markets or introducing a new product. If a company has been in a market for 10 years, we are not going to continue to fund it translating its brochure. If it is moving into a market for the first time or bringing a new product into that market for the first time, we will help with the translation costs.

Mr Anderson: It does not happen with every new product or every new market.

Dr Kell: Absolutely. That can also be used towards translation costs when they are engaging in meetings to secure initial contracts.

Mr Anderson: Thanks for that clarification.

Mr Frew: I want to go back to the strategy and action plan for exports. I know that you have touched on it and there have been a lot of questions on it, but I want to tease out a wee bit more of the detail, because the Chamber of Commerce said that it thought there were too many strategies and so much data out there that it was very confusing for smaller companies that are maybe not getting the interest and support that Invest NI would give to the likes of Wrightbus, Michelin and suchlike. I worry that, whilst we need an action plan and strategy that is focused, it may be an add-on to everything else that is out there. In other words, will it be another piece of material that companies will have to assess, or will one strategic action plan deliver for all spheres, with everything else falling into that or being made redundant?

Mr Murphy: Can I clarify the question? I am not entirely clear. Is your question about what companies face?

Mr Frew: Yes. Companies would say, and the Chamber of Commerce told us, that they cannot see the wood for the trees — that, whilst they are good at what they do, which could be making something, they really need assistance to break into markets and sell their ware elsewhere, and that, whilst they seek help, it is very complicated at that front door to actually get the help that they need quickly, without too much bother. While their minds are completely concentrated on making something, it is very hard, especially for a small business, to employ someone to work that through day in, day out, and to go to the person in Invest NI who will be able to concentrate and focus on their needs.

Mr Murphy: OK. Thank you for the clarity. That will be one of the priorities within our action plan. As Vicky illustrated in answer to the previous question, there is no desire for Invest NI to do all of the functions. There are other contributors out there that are playing a role, but the ideal outcome is where everyone understands their role and consistently sticks to that remit so that companies understand, "Well, if I am at a certain stage, I know who to go to. As I start to become a more experienced exporters or start to grow, then I am passed on to the next provider in the continuum." I think it is fair to say, Vicky, that, at the moment, there is not that nice, neat clarity of roles and responsibilities. It would be desirable if we could get to that stage.

Mr Frew: How do we get to it? I do not envy your task, because it is a very complicated sphere where you make a device or object that might well be suitable to one region of the world but not to others. Every country will have a different plan and be easier or harder to get into. You need to speak to the right people at different levels of government and business. This is so vast and complicated, and I do not envy your task, so how do you ever get that into a streamlined strategy that we need? It is great because you know exactly what we need to do, but how do we ever get there? How do we ever get that on the ground and then get businesses to realise that this is what is in place?

Dr Kell: There are two aspects there. There is the strategy. I mentioned a continuum of support, and that would be the ideal — the ultimate — where there is a continuum based on the stage of development of an exporter from non-exporter right the way through, and people are very clear about the support that is provided in relation to that. It should also be seamless to the customer; that is the important thing.

Take the example that you mentioned of a company inventing something and how they get it sold and into the market. They are a certain stage of development, so I would call them an inexperienced exporter. That is where we have helped and do help those types of companies if they approach us. We have mechanisms in place to help that company. We have one-to-one support, where an adviser can work with that company on a one-to-one basis to develop the market entry plan for them and how they are going to go about doing that.

We have had companies come with a product that they have produced and developed, and we have been able to use our design offering and help within Invest NI to get them to tailor it so that it is suitable for the countries that they are starting to look at and trying to access. We have that one-to-one support and a way to get them into markets.

The reality of exporting is that it takes time, commitment, effort and money. There are a lot of things to be gained from exporting, but companies need to realise that they need to commit the time, money, resources and effort to do that. We can help, but we cannot solve all of those. Therefore, part of that one-to-one support, working out the entry plan with that company, is an ideal way for them to realise what they need to do and then determine how they are going to do it.

Mr Frew: With all the complications, and you trying to streamline and simplify things as much as possible, yet the complexities are great, how do we ever get that balance? The different scope of businesses, and even the regions that you are looking to target or help to put companies into, will have different needs, wants and even mannerisms. How do you ever build that focused, strategic path with the flexibility that is required?

Dr Kell: Because we have different in-market advisers, we can bring a lot of those market complexities through their knowledge and intelligence. I mentioned that we split the world into four. Again, within the Northern Ireland operation, we, too, have people who are focusing on those particular markets, so they understand the nuances. They can also get access to the needs of the regulations, because it is different for every sector and even sub-sector. However, we can get that detail and then help a company to find out how it goes about taking the necessary steps to get the qualifications, accreditations and mannerisms that it needs to adopt in order to sell, and coach it through that.

So, the mechanisms are there. We have, if you like, a suite of interventions, but we can customise those, and that is the important thing. I mentioned that it is not a one-size-fits-all, and that is the important thing. There is a framework, but then we can make sure that it meets the needs of the company.

Mr Flanagan: Thanks for the presentation. I will not keep you long. One of the comments that you made was around corporation tax. What is the link between corporation tax and exports?

Mr Murphy: There are two obvious links. The first link was that there was a potential plan to do an enterprise strategy: here is an enterprise strategy with the powers on corporation tax, and here is a very different enterprise strategy, without the powers on corporation tax. At that stage, it was not envisaged that corporation tax would be deferred until after a Scottish referendum. I was just making a general point that there was a plan for an enterprise strategy including export components. However, because the decision on corporation tax was put back, the conclusion was that we should not wait to do something on exports by holding back an enterprise strategy; we should take forward the exports part.

Mr Flanagan: So where is the enterprise strategy now?

Mr Murphy: The enterprise strategy has always been dependent on our knowing the landscape and whether we have corporation tax. There is quite a big difference between what would be prioritised with and without that power. That applies to, for example, the nature of the work of Invest NI's client executives.

Mr Flanagan: What difference does whether corporation tax powers are devolved make to a company with fewer than 10 employees?

Mr Murphy: This was from the view of how the organisation of Invest NI and government support would be with and without corporation tax. With a reduced corporation tax, the FDI offer would change substantially, and, in turn, the day-to-day work of a lot of folks in Invest NI would change substantially. That was the point being made.

I understand that, for companies not making much profit, whether the rate of corporation tax is high or low may not make a big difference, but this was about how we organise ourselves, which would be very different with that substantial power. It was just to indicate that our enterprise strategy could take two very different routes. When the decision on corporation tax was kicked back by a year and a half, our conclusion was that we should start working on exports because it is a big enough priority that we can take it forward separately.

Mr Flanagan: If the power to set corporation tax was devolved and a decision taken to reduce the rate, what would that mean for your enterprise strategy and how you supported the small and medium-sized businesses here that would not benefit from such a reduction?

Mr P Rodgers: A section in the economic strategy outlines the issues that we know we need to address should we secure the power to vary corporation tax. We recognise that it will mean that we need to shift our focus towards greater levels of innovation because it is not just about corporation tax; it is about having the innovation and the R&D base to attract companies. We know that we need to do

a lot of additional work on skills because, if companies are coming to invest in Northern Ireland, they will require a skilled workforce. That whole section in the strategy outlines at a high level what we will need to do, should we secure the power, in order to maximise the benefits from corporation tax being devolved. The enterprise strategy, after the decision on corporation tax, would give more detail on what we would do in those broad areas.

Mr Flanagan: Do you have an initial draft of an enterprise strategy?

Mr P Rodgers: We have no initial draft, but a lot of work has been done by a number of Departments, and that would ultimately feed into the strategy. The Department for Employment and Learning, for example, has published some work on the skills requirements that a reduced corporation tax environment would require.

Mr Flanagan: My point is that, whether or not corporation tax is reduced will not have any impact on smaller organisations. It seems that all your efforts are going into helping the organisations that may well benefit from a reduction in corporation tax, but what about the 99% of businesses that will not benefit from it? It seems that they have to wait.

Mr P Rodgers: All businesses will benefit from a reduced rate of corporation tax because that applies across the board.

Mr Flanagan: How?

Mr P Rodgers: Companies making a profit will pay less corporation tax.

Mr Flanagan: What about companies not paying corporation tax because they are too small?

Mr P Rodgers: The economic strategy outlines a vast number of commitments that the Executive are taking forward to support businesses across the economy.

Mr Flanagan: The majority of businesses here do not pay corporation tax, so they will not benefit from a reduction in corporation tax. There are also a many larger businesses that do not make a profit and so would not pay corporation tax either.

Mr P Rodgers: The economic strategy details what we do across the economy to support R&D, innovation and increasing skill levels, and any business can benefit from those actions.

Mr Murphy: We should also bear in mind that a lot of small businesses are not incorporated so do not pay corporation tax. Others might trade at a level at which they do not make sufficient profit. The success of many such companies would be improved by additional companies in Northern Ireland creating a better supply chain for their business. Additional companies in Northern Ireland means a larger workforce and people having increased spending power, and those companies would benefit from that as well. So it will be important for lots of companies in Northern Ireland that might not see themselves as directly benefiting from a tax cut. However, they have the potential to benefit from additional FDI and the spending power, supply chains and employment created through that.

Mr Flanagan: Is that the solution?

Mr Murphy: I do not think that the Executive or individual Ministers have claimed that corporation tax is "the solution"; they see it as an important element that would help to improve and speed up —

Mr Flanagan: You are telling me that, if we reduce the rate of corporation tax, it will help small businesses that may well feed into an FDI chain, but that is not helping them to export. You tell me that you will wait to do something in an enterprise strategy to help small businesses because corporation tax may or may not be cut. That is no good to a small business now. What are we doing now to help small businesses to export?

Mr P Rodgers: That is why we decided to take forward an export action plan ahead of any decision on corporation tax.

Mr Murphy: We felt that that could not wait.

Mr Flanagan: What level of expertise is there in the Department and Invest? Is there considerable experience from a business background and exporting? How do you skill up on the challenges facing businesses that need to export?

Dr Kell: I will pick up on that. The people involved in supporting companies to export have a mix of backgrounds. Many, including me, have a business background. We are very aware of the challenges and issues that businesses face. We engage with businesses, day in and day out. We understand and talk to them about the issues that they are facing. We feed that into looking at how we can best help and support them. We are also taking a number of our trade advisors through the Institute of Export accreditation so that they can continue their development, keep it relevant and understand the complexities of the whole export arena.

Mr Flanagan: OK, very good. What could the Committee do to help? Do you have any suggestions?

Dr Kell: To be honest, I think that a lot of this goes back to mindset and getting companies and decision-makers to realise that they, too, can export. The message must go out that many very good small Northern Ireland companies are playing a big part on the global stage. We just need to get more and more of our companies to do that, so anything that you can do to get that message through would be most helpful.

Mr Flanagan: A fundamental change in a societal attitude is the big barrier.

Dr Kell: Absolutely.

Mr Nigel Sands (Invest NI): Your colleague talked about the complexity of the issue. It might also be about not frightening people but telling them that we can work through any complexities so that they can make a start. The complexity can scare people off, so we are trying to strip that away through the range of programmes that we offer via workshops. One of the biggest decisions a company can make is not to export to a particular country but to another area because they thought that their product or service would work there. It turns out that, when they do a wee bit of work, it does not, but that does not mean that it is a failed product. There is a bit of mysticism, and we are targeting that through some of our lower-level programmes.

Dr Kell: We also help them to do the research, which is critical, so that they really understand the opportunities and how they align to them.

The Chairperson: Sammy, you had a final point that you wanted to raise.

Mr Douglas: I will try to keep it as brief as possible. First, thanks very much for the presentation. I am very impressed by it, and it is a good tool for MLAs. Statistics, figures and so on change, so, if you could keep us updated, that would be very helpful.

Dr Kell: Surely.

Mr Douglas: Last night, a businessman came to see me and said that he had been in China with the First Minister and deputy First Minister and had an excellent experience. He said, "I know that some people criticise the First Minister and deputy First Minister for going there, but I would be willing to go on television and say that I found it very helpful." I just wanted to say that.

Dr Kell: Thank you.

Mr Douglas: That leads to my other question. This week, the Speaker hosted the New Zealand High Commissioner to the UK, Sir Lockwood Smith. He talked about the links between Northern Ireland and New Zealand. He said that he would love there to be more business and tourism links. On the map included in your presentation, Vicky, you have a presence in something like 18 locations, but New Zealand is not there. Somebody told me recently that the First Minister and deputy First Minister had been invited to go there, so will you tell us about some of your links with New Zealand?

Dr Kell: I met Sir Lockwood Smith yesterday as well. We had a very good discussion — he is a very nice man. There are opportunities everywhere, but we cannot do everything. So we need to try to prioritise in order to help our companies to focus on the opportunities. We looked again at New

Zealand recently, particularly in light of what happened to Christchurch and the resulting infrastructure opportunities. About two and a half years ago, we brought together a number of relevant companies that could facilitate that infrastructure redevelopment, gave them information on the opportunities and talked them through what they would have to do. To be honest, they said that they were interested, but when we asked whether we should take it further, they said, "Not at this time".

Last November, we took a number of construction companies to New Zealand on a construction-focused mission. Feedback was mixed: some said yes; others no. We are following up with those that said yes. Materials handling is another area in which there are huge opportunities. We know our companies that are engaging in New Zealand in that area, so we are working with them anyway. Although we are not formally taking missions there and do not have a representation, we are engaging in helping companies in that market. Yesterday, during my discussion with the High Commissioner, a number of other avenues arose that we will investigate. It is good because it is quite tailored to specific opportunities that arose, so it allows us to be more focused in who we talk to.

Mr Douglas: Thank you, and a very last, quick question —

The Chairperson: Very quickly.

Mr Douglas: I know a man who was exporting through Alaska, and he said that the distance was a nightmare, as would be the case in the likes of Australia, which is not on this map, and New Zealand. Is distance a big difficulty? I know that New Zealand is over 11,500 miles from Northern Ireland.

Dr Kell: It can be a difficulty. I always go back to materials handling. I think that shipping large machines was mentioned. We are shipping them to New Zealand, so people can do that. The other thing to think about with New Zealand is that time zones are sometimes helpful. New Zealand is 12 hours ahead, which is a full day's work. If you send a question and go to bed, by the time you get up in the morning you have the answer. That helps.

Mr Dunne: On a similar theme, the overseas events programme looks impressive and a lot of good work has gone into it. Again, you need to encourage people to engage and come on board.

Dr Kell: Absolutely.

Mr Dunne: Is it difficult to get people to go on such overseas events with you? Sammy made a point about the importance of companies bringing their product. Whether it is equipment, food or whatever, when people see the quality, our products probably sell themselves, but it is about getting them out there. What more can be done to engage people in this programme? This is a great and an impressive programme, but we must make sure that we get the right people on those trips. How do you decide which people and which firms to bring? I am sure that a number of firms want to go on your various trips.

Dr Kell: Yes, they do. A company that registers an interest in going on a mission may have been at one of our events, which has given them an idea of the opportunities. We usually engage in a one-to-one with that company to ensure that they have the right type of offering for a particular market and that it could cope with that market. Once you take into account time differences and so on, it can become difficult. So we would ensure that the business would benefit from going on that trade mission. Sometimes, a company needs to go on a trade mission to decide that the market involved is not right for it. If that decision proves valuable, it may be right for the company to go on that mission; it is not always that they have to have a product that is right to sell now to get on the mission.

When they accompany us and go out to market, they always bring samples and literature with them. One of the first things that we do, and which we constantly do, is encourage companies to update their website, because any time that you try to arrange a meeting with an overseas company, the first thing that it will do is look at your website. So the website needs to be up to date. When we take companies out with us, we always put together a mission brochure, which has a profile of every company on the mission and is translated into the relevant language. So at least they have some sort of marketing/promotional material that they can use when they are out in the market. We coach them through the cultural aspects that they need to take on board to make sure that they make the most of their time out there.

We work with the companies to make sure that this is the right trip for them, but we need people to help us to communicate with companies to make them aware of these events and to get them to express an interest in them.

The Chairperson: On that point, it must have been a year ago that we had the Minister and chief executive of Invest here. We were trying to establish whether there was some mechanism of sharing details and all of your promotional material. Of course, I follow Invest on Twitter, but there is much, much more than that. This goes back to the disparate information out there. When dealing with community and voluntary organisations, we have Grant Tracker and the likes, but, at the time of the meeting, members in particular felt that some sort of briefing document should be prepared. One year on, however, I do not see any manifestation of that. Perhaps, you could reflect on what happened to that suggestion, which seems to have disappeared. Believe it or not, we are out and about quite a bit and talk to a lot of people. That is the nature of what we do. It is vital to establish that connection, but we are not hearing that that is happening: that element of the link is missing. That is one of the cultural aspects that you talked about. By the way, I do not accept that as an excuse. That is just another challenge for people.

I have one final question. As was touched on earlier, some of the money allocated to the agrifood strategy was not spent. Where is that, and where does it fit in?

Mr Murphy: Are you talking about the Agri-Food Strategy Board's report, which is to go to the Executive, or the agrifood loan scheme?

The Chairperson: The loan scheme was a small element of it. You are right in dividing my one question into two. First, where are the outworkings of the agrifood strategy? Secondly, has there been any reflection on the lack of take-up of the money set aside for the loans that we are talking about?

Mr Murphy: I think that the Minister answered a question on the Agri-Food Strategy Board report in the Chamber on Monday. She said that no one was holding it up and that she very much hoped that the Executive would endorse the report, but she recognised that there were wider resource pressures, which do not make these sorts of decisions any easier. My understanding is that it is on its way to the Executive.

The Chairperson: That seems to have been an issue for a while.

Mr Murphy: My understanding is that a joint paper has been agreed between the Agriculture Minister and our Minister, and it is on its way to the Executive, albeit that the wider resource issues and pressures do not make the call particularly easy on a number of fronts.

The negotiations with the banks on the loan scheme are finished and the terms agreed translated into a suite of legal documents. The banks' solicitor has recommended those documents to bank decision-makers. The lead processor for the poultry scheme has indicated that it is content with the commitments in those documents that fall to them. Four of six banks have taken the agreements through their internal approval processes. We in government have taken them through our internal approval process — Department of Finance and Personnel (DFP) approval and ministerial approval. The lawyers are preparing to issue what they call, if I am using the correct terminology, the execution versions. Some of you may know what that means. My understanding is that those are the signed versions. Once those versions are signed, the banks can open the scheme and accept applications. My understanding is that they will go out this week.

The Chairperson: That is grand. Thanks for that.

Mr Frew: On a point of information, Patsy, the ARD Committee has done some work on both those issues, too, and its information seems to be consistent with what Shane is saying. The agrifood report is sitting with the Executive, and the loan scheme was going through legalities and a process of ensuring that everybody was on board.

The Chairperson: Thanks for that.

Thank you for your time. I look forward to seeing you at some stage in the future.

Dr Kell: Thank you very much.