



Northern Ireland
Assembly

Committee for Enterprise, Trade and
Investment

OFFICIAL REPORT (Hansard)

Exports: Northern Ireland Chamber of
Commerce Briefing

6 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 Sammy Douglas
Mr Gordon Dunne
Ms Megan Fearon
Mr Paul Frew
Mr Fearghal McKinney
Mr Mitchel McLaughlin
Mrs Sandra Overend

Witnesses:

Ms Maureen O'Reilly	
Ms Ann McGregor	Northern Ireland Chamber of Commerce
Mr Mark Nodder	Northern Ireland Chamber of Commerce
Mr Richard Bell	Solmatix

The Chairperson: Briefing the Committee today are Mark Nodder, who is president of the Chamber of Commerce; Ann McGregor, who is chief executive of the Chamber of Commerce; Maureen O'Reilly, who is an independent economist; and Richard Bell, who is managing director of Solmatix. You are all very welcome, and thank you for being with us.

On the Committee's behalf, I extend our thanks to you for your ongoing engagement with us and for making sure that we are fully briefed on what the contemporary issues are, including changes in the market. The quarterly economic survey shows small progress in key sectors of the economy. At least it is heartening and going in the right direction. That is good to hear, and it reflects the experiences that some of us are having in our constituencies as we see things starting slowly to stabilise and move gradually incrementally upwards.

I think that you know the format, which is that you have up to 10 minutes to make your opening comments, after which there will be a Q&A session.

Mr Mark Nodder (Northern Ireland Chamber of Commerce): I will briefly introduce the team, Mr Chairman, and then ask Ann McGregor to make the 10-minute presentation. I have the honour of being the president of the Chamber of Commerce for the past two years. More important, I guess, in the context of today's discussion, I am also group managing director of Wrightbus, so I hope that I can speak with some authority about a company striving to increase its presence in export markets.

I would like to introduce Maureen O'Reilly, who is an independent economist. She has carried out a number of engagements for the Chamber of Commerce and advises us on matters of the economy. Ann McGregor is our full-time chief executive. Richard Bell is a local entrepreneur and the founder and chief executive of Solmatix Renewables. He, too, can speak with some authority on growing a business in Northern Ireland and facing the prospect of entering the export arena.

I will pass over to Ann to speak about the Chamber of Commerce's role.

Ms Ann McGregor (Northern Ireland Chamber of Commerce): Thank you. I will give a brief outline of the Northern Ireland Chamber of Commerce, tell you about our Growing Something Brilliant campaign, what we believe the export challenge is and our view on how you should address it.

I want to tell you about the Northern Ireland Chamber of Commerce so that you can see that we are an organisation with a long history. We were established in 1783 and have been involved in economic development since then. Our members are corporates, SMEs and microbusinesses from across Northern Ireland. We have only one or two retailers among our members, so our membership is really made up of businesses that produce products and services. Our role is to enable businesses to grow locally and internationally and to drive the development of the economy. We are committed to a private sector global network that is cohesive and works alongside government to grow exports. That is our primary objective.

We have a team of 15 staff. We are 100% funded by our members, such as Mark and Richard's companies, and receive no government funding. We are accredited to the British Chambers of Commerce network, the British Irish Chamber of Commerce network and the all-island chamber of commerce network. Through those organisations, we are linked to a worldwide network of chambers of commerce. We have all the quality standards and services that you would expect, such as those awarded by the International Organization for Standardization (ISO) etc. Although we are part of those networks, I wish to make it very clear that we are independent. We have an independent board, the ability to talk about policy for Northern Ireland only and support businesses in Northern Ireland or the island of Ireland only. We are not at the behest of other strategies, such as those in London, for example.

We have a portfolio of services that help our members to increase their brands and networks, learn from others and grow their businesses. However, mainly, we are part of the whole continuum of export support. In fact, we are the only private sector business organisation that has developed a portfolio of products and services.

We try to inspire businesses to grow, because there are so many mental barriers for small businesses in taking that big step. We do that through our Growing Something Brilliant campaign and have a range of other support programmes, including an online piece called Export Britain. We also have a Danske Bank Export First programme, through which we have helped 280 companies and Gateways to Growth, which is a cross-border meet-the-buyers programme, through which we have supported 270 companies. We also prepare export documentation to help companies to get products through customs and services, and 10,000 documents go out every year. We also help individual businesses to create connections internationally. So, if a company like Richard's is heading out to a country after a trade mission, we can link him with the chambers of commerce in particular areas and make sure that he gets a soft landing or is met by a friendly face when he gets there.

We do all that because we believe that growing Northern Ireland's export base is vital. We all know that it helps us to build skills and the regional economy, and a good supply base of small businesses can also help with foreign direct investment. However, mostly, we want to reduce our dependency on the public sector and inward investment. Both are very important, but we think that the SME base is equally important.

Unfortunately, the SME base in Northern Ireland is very small. We have the smallest private sector employment base in the UK regions, with only 2.3%, and a much smaller share of the large firms, with 24% versus 41% in the rest of the UK. We also have the lowest business birth rate in the UK regions. In fact, it is declining, and we now only have 113,000 businesses — it has come down by 1,000. However, even in the boom years, when things were going well and small businesses were growing, we grew on the basis of self-employment. We had about 36,000 one-man bands in the area, which presents challenges and leads to a correspondingly low export base. Indeed, Northern Ireland accounts for only 2% of UK exports. GB is our single biggest market and picks up 48% of sales, with exports accounting for 31% of manufacturing sales. We rely on a very small number of trading

partners such as Ireland, the US and Canada for the majority of exports. Ireland is a particularly important trade partner for Northern Ireland.

Sales in 2010-11 were £5.7 billion and decreased to £5.56 billion in 2012-13. There have been gains in some markets but declines in others. More concerning is that we are heavily dependent on a small number of exporters. Only 10 companies account for 50% of our exports, whereas about 60 companies do the same in Scotland. Large firms account for 70% of exports, which is why they are very important to us, and foreign direct investment, which we are very supportive of, accounts for 75% of exports. So it is a big business game, and not enough small businesses are exporting. We are not sure how many services exporters we have because the data is not available, but we have only 1,500 goods exporters, which is less than 3% of the business base and presents a major challenge.

SMEs are, typically, the backbone of any national economy. One problem that characterises SMEs in Northern Ireland is the absence of a dynamic middle stand of enterprises. That probably goes back to the 36,000 one-man bands to which I referred earlier. We need more businesses like Richard's, which have high skills and are targeting the export market. They are not necessarily big firms with big budgets, but they have the skills to go into exporting. There are opportunities in food, agri and engineering.

That is all severely challenging the Programme for Government export priority to:

"achieve long term economic growth by improving competitiveness and building a larger and more export-driven private sector."

The Programme for Government target is to increase the value for manufacturing exports by 20% over a four-year period. However, exports have, in fact, decreased by 1.2% between 2011 and 2012, so we will not meet that target.

We commissioned research through Maureen O'Reilly and our British Chambers of Commerce network. We also conducted our own surveys, including our quarterly economic survey, which receives about 500 responses from businesses every quarter; at our conference on Growing Something Brilliant, at which we had 500 attendees; and through our export forum and ongoing discussions. As you would expect, individual businesses refer to their experiences and highlight their issues. Potential exporters talk about finding and understanding overseas markets, the fact that their businesses are too small, that they have finance requirements or that they do not have the right skills. Existing exporters say slightly similar things. They might have more experienced staff, but they still talk about export costs, logistics and inadequate market intelligence. However, we have known that for some time, and I could have given you those results five or 10 years ago, or two weeks ago. The same things seem to keep coming around.

That leads us to ask whether Northern Ireland's export framework is fit for purpose. Export support is provided by many organisations, including the Chamber of Commerce, Invest NI, InterTradeIreland, the Department for Employment and Learning (DEL), enterprise agencies and councils. There is also online support. However, it is fragmented and programme-driven rather than needs-driven, and navigating the support system is a major challenge for businesses. We have no explicit support for potential exporters in Northern Ireland, whereas Enterprise Ireland has a dedicated export-ready division.

You have heard what I am saying today before. Invest NI's chief executive noted that more needs to be done to boost exports, and the UK's Public Accounts Committee recently criticised the support given to exporters and said that more needed to be done. The economic strategy says that export growth needs to be prioritised. Is that really enough? The scale of the export challenge is fairly significant. It needs to be recognised. We ask Government to lead on the development of an explicit export strategy or action plan. We do not really want strategies. We want an action plan for Northern Ireland that includes a review of the export data sources in order to assess the true extent of Northern Ireland's exporting; a review of the support system; and an assessment of businesses' capability and growth.

I am on the last leg now. We think that the strategy should include an action plan that delivers for business, no matter what stage they are at in their export journey; is consistent throughout all parts of Northern Ireland, which is not the case currently; recognises that every business that seeks to export has different requirements, so the system requires flexibility; and recognises the role of a number of partners, including the private sector. We are all operating in silos, and that is not helping Northern Ireland plc.

Mr Flanagan: Thanks for the presentation. How big is the impact of the current perception of political instability on your members?

Mr Nodder: It is very significant. We were consulted by and had a conversation for an hour or so with Dr Haass when he was here. We made clear the impact that there was on businesses during the whole period of the parades/flags issue. When you are trying to make a mark on the other side of the world as a potential exporter and to establish your credentials for the first time, a potential customer wants to know not only about your products and you as a person or company, but where you come from, whether there is stability and whether, if they enter into a long-term relationship with you, it will be secure. Is there anything that might threaten that? If I order 100 buses, will they arrive on time or will there be disruption at the ports that would prevent that? It is that kind of thing. As someone who has spent the past 26 or 27 years selling out of Northern Ireland to foreign customers, I know that it does not make it any easier. We all believe that there is unfinished business here. We urge everyone who is involved and has influence to press on because we need that stability. We do not want Northern Ireland to be known internationally for the wrong things. We want to be known for the right things, such as our ability to innovate and the excellence of our companies and products. We do not want to have that stigma.

Mr Flanagan: What is the perception overseas?

Mr Nodder: I think that it is mixed, Phil. There are times when CNN and Sky News carry all the wrong pictures of Northern Ireland. I suspect that it passes; it is not a permanent stain. However, it is there, and it is something that our competitors do not necessarily have to explain away. We would rather that we did not have to.

Mr Flanagan: What would you like us, as political leaders, to do to resolve that?

Mr Nodder: You need to keep talking. Inevitably, there will be compromises. You absolutely have to work through this.

Mr Flanagan: Yesterday, I was with a manufacturing business in Lurgan that operates from several sites. I got a very good insight into the challenges that face a business that does not have many competitors here; it competes with businesses around Europe. How big an impact do energy prices have on large energy users and the ability of locally based companies to export and compete with other businesses?

Mr Nodder: Big companies like us, Michelin, Bombardier and others are significant consumers of energy. It is our perception that we are not in a competitive position. That is an on cost that is a disadvantage when we compare ourselves with GB and, if you like, mainland Europe competitors. Richard, do you want to say something about that?

Mr Richard Bell (Solmatix): Mr Chairman and Committee, we operate in the microgeneration sector, particularly photovoltaics, mainly for small businesses but also some households. The issue is more the uncertainty about where the cost of energy is going than what it costs cost today. That is uppermost in our minds. The cost today is certainly making companies uncompetitive. However, one moment, the grid operator, NIE, says that the grid is not capable of taking various sources of energy; the next thing you hear about is gas implementation; and then you hear about fracking. At this point, uncertainty about the future of energy is a bigger issue in the marketplace than price.

Mr Flanagan: You mentioned a number of large organisations, some of which have announced plans to come off the grid and generate their own energy. Some will get a very quick payback on their initial capital investment. Are many of your members considering that approach?

Mr R Bell: Absolutely. Many companies are considering supplementing their grid connection with various means of own generation: wind turbines, photovoltaics, even diesel generation and others. The payback is good, and it is a very natural step. It allows them to predict what their energy bill is likely to be, and that is the single most important thing. When looking forward four, five, six or 10 years for an investment, they want to be able to say that they have capped their energy costs in a predictable fashion.

Ms McGregor: It is not a question that we specifically asked, but we could ask it through our surveys.

Mr Flanagan: The narrative being painted by the Utility Regulator, and sometimes by the Department, is that energy prices will continue to rise and rise. Do you accept that, or is there an alternative?

Mr Nodder: I do not think that we can accept it. I would love to be in the position of having more choice and with more alternatives available to us. If we had our factories over in GB, we would probably have six or eight places that we could go to for a choice of energy supply. We are pretty limited here. Yes, we would like a more competitive environment. Manufacturing, in particular, on an island means importing a lot of raw materials to begin with, and you face transportation costs that, say, your European competitors do not have. Before you even start cutting metal and bolting it together, there are certain costs that you have to bear and which can render you at a competitive disadvantage. So you do not want to go shooting yourself in the foot by adding even more costs that you really should be regulating and managing in order to keep us competitive.

Mr Frew: I will stay on the cost of energy, which, not least in north Antrim, is a stark issue, at least for large employers such as Wrightbus, JTI and Michelin. You talk about the choice being limited. Today, there has been an announcement that the Utility Regulator is opening up a consultation on gas to the west. How vital is that for our companies west of the Bann?

Mr Nodder: Frankly, we welcome anything that gives us a more competitive arena and gives companies choice. No one wants to be limited to a monopolistic or semi-monopolistic situation when trying to negotiate good prices for the supply of anything, including energy. So this is probably a move in the right direction.

Mr Frew: Has the chamber got a view on the fracking debate?

Mr Nodder: No, we have not developed that.

Mr Frew: Do you hope to explore that in the future, or are you leaving that well alone?

Ms McGregor: Our primary goal, as a business organisation, is to help businesses to grow and trade internationally. Our main focus is on export and export development, and that is why we are here today. We are interested in cost to businesses, corporation tax and skills etc. Fracking has not come on to our agenda at this stage.

Mr Frew: Phil asked about the businesses taking forward their own renewable energy projects to alleviate some of the costs and pressures on them. As you said, foreign direct investment companies account for 75% of exports, and the largest companies with 250-plus employees account for 70% of the exports. We understand that the 10 big companies that you talked about are vital, but, if those 10 companies were to start their own renewable energy schemes, it could place a burden on the rest of the companies on the electric grid. Have you thought about that? Some of the companies will have no choice because they are competing in a global market not only with competitors but with other plants within those companies.

Mr Nodder: I think that it is fair to say that the chamber does not have an energy strategy per se. As Ann says, we look to promote the collective interests of our members. We are a 1,200-member organisation. The most significant challenge they face at the moment is expanding their market horizons. Our biggest thrust is to do what we can to make them competitive, for sure, and to help them, but it is really about helping them to thread their way through the difficulties of getting into the export arena.

Mr Frew: Is there one thing that you think Invest NI could do better in the export arena?

Mr Nodder: No, I do not think that there is. I have a lot of time for Invest NI. I have been on the receiving end of its services. For something like 25 or 26 years, I have been a client in one shape or another when working for Shorts, RFD and, in more recent times, Wrights. I have seen the organisation grow. I think that, in recent years in particular, its leadership has become much more, let us say, customer-service friendly, which I am delighted to see. Frankly, I wish that it had more money to spend.

The issue is more that Invest NI is not the only participant in the provision of service to would-be exporters. If you are a big company and can afford to have someone or people in your organisation finding the way through the governmental and non-governmental organisations that support exporters,

that is grand. I spent a lot of time doing it myself. However, if you are a company the size of, say, Richard's or smaller, which is busy innovating, being entrepreneurial and managing the issues of expansion, access to finance and so forth, the last thing that you want to do, frankly, is figure out who you are supposed to speak to and how you get advice from a large organisation such as Invest or DEL or one of the many agencies that provide export support. One of the things that you will find everywhere is that everybody has good broad advice and good broad encouragement, but it comes down to the details and the specifics about how you begin to import goods and export them when finished. Richard, do you want to pick up on that?

Mr R Bell: UK Trade and Investment was here yesterday. Belfast is one of six cities that it is visiting across the UK this week. Invest NI brought it across. There are massive opportunities for our company in Chile, Nicaragua and Mexico — all those countries. The challenge of going there, having the right technology and being able to make the thing here competitively does not worry me at all, because I know that we can go there and be competitive. Imagine that we do a deal and have container-loads of equipment here in Northern Ireland: it is about getting that from here to the country.

All the agencies that we talk about give all this high-level information and strategy. Then there are the shipping agents, HMRC and a myriad of people. We would need to employ somebody full time to get the goods from here to there. That is OK when you reach a certain critical mass, but, to start with, it is a very daunting prospect. It is not about going to get the business. I believe that our innovation base is strong enough to compete in any market in the world. It is about getting the goods from here to there when you are trying to manage and grow a business. When we started off in 2008, it was me, my wife and a student in the corner of a byre on the farm. We have now grown significantly and moved to a factory in Lisburn. Even so, we are so busy managing that growth and looking after the business that taking on the transportation of goods is a very significant issue and a very significant barrier to us growing our export markets.

Mr Frew: I would like to change the tack of my questioning now to recruitment difficulties. Recruitment is vital. Given the environment over the past seven years, with the rate of unemployment and everything else that goes with that, and given that we are coming out of recession and, we hope, going into recovery, what recruitment pressures are there on companies at present?

Mr R Bell: I can give you only my personal experience. It is about finding good people. I know that that sounds really strange, but it is a matter of finding people who are committed and dedicated. It is not even to do with education; very often, it is to do with experience. For example, our stores have recruited eight or nine different storespeople in two years. They come and go and are not dedicated to wanting to grow with the business. Therefore, it is difficult. However, we also have some very good people, so there is a balance.

Mr Frew: Are those people who have a low attrition rate moving on to a different job or are they just leaving work?

Mr R Bell: Sorry, I am not used to giving evidence at Committees. I am a very simple person, and I wanted people in the stores, so I walked into the job centre, or whatever it is called, in Lisburn and said, "Give me a list of people with store experience". The job centre could not do that. You have to advertise, but if you do not advertise, you have to go through an agency, and, to be truthful, the quality that you get is not always good. That is the issue. It is not us. We have never paid anybody off. People come and go. We hear all about foreign nationals coming in, but in the local market there are a lot of people who do not seem to want to be employed.

Mr Frew: That is interesting. It is almost a mindset rather than a skills base.

Mr R Bell: It is mindset and skills base.

Mr Nodder: I will add to that. Every company that you talk to will say, "We are short of engineers" or "We are short of ICT staff". Everybody is in need of a particular skill. I talk to colleagues in the chamber who are looking to expand in the aerospace business, where there is huge opportunity for us to ride on the back of the boom and follow the lead of Bombardier and others. We are probably short of 200 or 300 engineers in the aerospace sector. We must focus on engineering in Northern Ireland. We have to keep focusing on manufacturing — making things — because that creates wealth, for not just people like us who do the final assembly but the hundreds of smaller companies that cluster around that.

The Wright Group creates 50 apprenticeships every year that have the prospect of lifelong employment. I will say again, and this is in the context of something that we face as a large employer, that it is our perception that the employability skills and general skills of school leavers and the kinds of people who are applying for apprenticeships — I am talking about their basic language skills, their basic arithmetical ability, and their awareness of technology and what it does — is diminishing, in our opinion, and that is a concern. We should not have to compensate by adding a level of education of our own. We are very happy to take apprentices, mould them and give them the skills that hopefully set them on that lifelong path. It may simply be a perception, but I get it from talking to the heads of our training departments and the people who work with the young folks coming in. They are saying that the raw material is not what it used to be.

Mr Frew: Should the chamber and large employers impose themselves more on the education system? Do you find that to be a barrier rather than an opportunity?

Mr Nodder: It is not a barrier. We talk all the time to DEL. The Minister has taken a great interest in the needs of the large companies. People say the right things, but I have yet to see the evidence of the delivery of employability of young folks, but I am hopeful.

Ms McGregor: We do participate. For example, Minister Farry has had working groups on apprenticeships, engineering, etc, so our members do participate.

Mr Frew: It is probably too late by the time it gets to Stephen Farry and his Department. It needs to be done at primary and secondary school level.

Ms McGregor: I have been a board member of Young Enterprise for a number of years, so I personally get engaged with that. The chamber also provides mentors and case studies to business. The whole business education piece is a major challenge. There is not enough. Young Enterprise tries to encourage people to think about starting a business. It is funded year on year. You cannot plan for the long term year on year. As well as reviewing expert support, that whole area needs to be reviewed.

Mr Dunne: Thanks very much for coming along. It has been an interesting discussion. Research and development is something that we have covered quite a bit in Committee. We had an in-depth study into it and came out with a useful report.

We have looked a lot at the difficulties in accessing funding. SMEs, and Richard's is a typical example, are very busy with their day job. How can we help them get access to funding to carry out R&D?

Mr R Bell: I come from a research and development background. I was involved in R&D even prior to starting Solmatix. In Invest, there is no question that there are some very good schemes for R&D support. The application forms are not as onerous or clumsy as they used to be. They have improved dramatically. Similar to Mark, I was involved in R&D funding from when Invest came into being, and even before that through the Industrial Research and Technology Unit (IRTU). The applications had got quite complex and were very off-putting, to the point that, when we started our business, we decided to borrow the money from the bank and then claim R&D tax credits. It was simpler and quicker to do that, and it was easier to convince the bank than it was to go through the application process.

The situation has changed now, but there seem to be an awful lot of R&D funding providers, which is very confusing. There are council providers and myriad other providers. They can offer a little amount of money, when what you really need is for someone to come in, shadow you and work with you. The development process is never just a quick hit for a week, a month or six months. Very often, products are continually evolving and take a year, 18 months or two years to develop, and I am sure that Mark will say the same about the larger bus products.

Having lots of providers of small amounts of money, which are seen as being low risk if things go wrong, is not necessarily the way in which to approach things. There needs to be a better evaluation of the providers that are likely to give long-term benefit to Northern Ireland.

Mr Dunne: Invest is one of the leading funding providers. I understand that it uses a lot of the European regional development fund (ERDF) money for that purpose. How good has Invest been for the bigger businesses and the larger manufacturers?

Mr Nodder: I echo what Richard said. In the past four or five years, the path to R&D funding through Invest has become a lot smoother. It is onerous, because it is perceived as being state aid, and there is an awful lot of bureaucracy that goes with it. Invest has to be very careful about what it does because of subsequent audits, and so on. Therefore, there are times when the process gets frustratingly bureaucratic, but you just have to grit your teeth and wade through it. There are now fast tracks there, and that is helpful.

We are still not as smart as we could be at tapping into EU funding. From time to time, I will read, even in my industry, of the EU funding a European-wide project in, for instance, public transport and think, "I am reading about this after it has made the awards. Where was I a year ago?". I kick myself for not knowing about the project. However, we would probably need to be camped in Brussels and working really hard at ferreting out the opportunities, which is the way in which some countries do it, it has to be said.

Mr Dunne: We visited Bombardier and were told that it had got funding through the EU seventh framework programme (FP7), which was great to see. That is an example of good business and where the process is working effectively, but a lot of effort has gone into drawing down that money, which is something that SMEs cannot do. Horizon 2020 is something that, we hope, will open new doors for funding. What sorts of benefits would you like to see flow from that?

Ms McGregor: To access finance, the chamber is trying to make connections between banks and small businesses through a number of our programmes so that banks can hear feedback directly. Banks are saying that they are open for business, and we want to make sure they are by interconnecting generally.

However, we are also sharing the information on the programmes that you can get through Invest NI. Its portfolio of access to finance projects includes the growth loan fund and the Northern Ireland Spin Out (NISPO) funds. Those are good and are stimulating some bank lending by sharing the risk. That is funded through the ERDF, and I encourage you to keep doing that.

We are also working to encourage SMEs to take a different approach. With the greatest respect, they have been used to going in and getting a loan secured by property or personal guarantees that no one thought that anyone would ever come back on. Businesses now need much more support to get their applications through banks, and things such as the finance vouchers are good. However, businesses still need their hand held more in the application process. We are trying to do that for our members, but I do not know how it happens elsewhere.

The Chairperson: The Committee has placed considerable emphasis on the likes of Horizon 2020 and the competitiveness of enterprises and small and medium-sized enterprises (COSME) programme. You will be aware that the rest of the island has set a target of £1 billion drawdown from those funds. Can you tell me whether there has been any formal engagement by Invest NI or the Department with you on preparing companies that you represent to be better prepared than they were for FP7? Frankly, by comparison, it was —

Ms McGregor: We have not had direct interaction with Invest NI. Martina Anderson arranged a trip with all the chambers of commerce in Northern Ireland to find out what Horizon 2020 was about. She continued that engagement after we came home. We are working along with the Dublin Chamber of Commerce.

The Chairperson: With what?

Ms McGregor: The Northern Ireland Chamber of Commerce is working with the Dublin Chamber of Commerce to put together some initiative that we would like to see come out of Horizon 2020. At present, we are in the early stages of that development.

The Chairperson: We appreciate that. Has there been no formal engagement by the Department or Invest NI with you?

Ms McGregor: Not with us.

The Chairperson: OK.

Mr Dunne: There is an individual in DETI who runs the programme.

The Chairperson: Yes. That is why it surprises me. I thought that you would have been the first port of call.

Mr Dunne: Has been any engagement with Invest NI?

Ms McGregor: The only engagement has been through Martina Anderson.

Mr Dunne: There has been none otherwise?

Ms McGregor: No.

The Chairperson: That is disappointing to hear, but it is not surprising.

By the way, we have a number of events coming up. We have an engagement with the Green Investment Bank in June. It is important to us that you as stakeholders be there to represent the renewables sector. I am sure that you will be interested to hear that, Richard. Congratulations on growing your company. I have an interest in the photovoltaics (PV), although not a declared financial interest. *[Laughter.]* Rather, I have an interest in learning more about it, and I would not mind calling out one day, if that can be facilitated.

Mr R Bell: Please do; any time. Members of the Committee are welcome. There is an awful lot of stuff talked by people about PV. It is never going to be the whole solution for everything, but it has its place. A lot of the stuff talked about PV is both right and wrong. I will be happy to show you what it is really about.

The Chairperson: I have a question for you. Can you not engage with shipping agents? I mean for an independent company, not just someone working in your company, because that would depend on how large the company is and whether you can afford it.

Mr R Bell: There are shipping agents that you can engage with, but they do not do the whole job from start to finish. Myriad paperwork is needed in preparation for submissions to HMRC and the whole way through the process. That is the issue. HMRC is in with my company today because, when we were bringing in goods from Europe, we put the name of a company in the wrong box on a complicated form. That is an example of how, even when you think that you know what you are doing in the simple matter of bringing in something from Germany, you can easily make a mistake. You need to be guided through the whole process to start off.

Ms McGregor: As a chamber of commerce, we process 10,000 documents a year. I have a team working on that. It is about carnets and *[Inaudible.]* that I do not quite know the detail of. Before a business brings paperwork to us, it has pages and pages of information. We spend our time helping the business through that, but it is very time-consuming.

Mrs Overend: The questions that I was going to ask have already been asked, but I have thought of more questions, so do not worry. *[Laughter.]* Thank you very much for your time. It is very interesting to hear about exports from your perspective.

Building networks is crucial to exporting across the world. Getting and building those contacts is important. A lot of our SMEs obviously have difficulty in doing that and depend on just one avenue, Invest NI. What more can be done to enhance networks and provide some more advice?

Mr Nodder: That is absolutely the starting point for any would-be exporter. To take those first steps is incredibly daunting. If you have sufficient scale and are on the radar screen of Invest NI, there is an opportunity to tap into its support network. However, we in the chamber recognised that companies that were not on the radar screen — the SMEs, particularly, the very small ones — had offers of help from 12 or 14 different agencies but no one to give them the right kind of help. We decided to fill that

vacuum ourselves and have a couple of programmes. We run one called Export First, which is all about nurturing, mentoring and pointing small companies in the right direction. We do that by getting them to network. We bring them into larger companies, where they can share experiences and ask some of the stupid questions, such as where to go for something, how something is shipped and which forms are needed.

The chamber also runs a programme called Chamber Connections, which does exactly what you were just talking about. For example, if I would like to offer my product in Dubai, where should I begin? We would put you in touch with the chamber of commerce in Dubai. It will understand who you need to talk to, who the distributors are, how you get the stuff into the country and how you move it out once you are there. There is a dearth of those tailored programmes. We felt that we could fill the gap and use the fact that the chamber in Northern Ireland is part of a worldwide chamber network. That is invaluable, and we need to see an awful lot more development of that possibility.

Ms McGregor: I do not feel that that is sufficiently recognised at this stage. One thing about our initiatives is that, because they are funded by the private sector, they have no limitations. When we were doing our Gateways to Growth project — a cross-border initiative — for the first time, it was funded through the Special EU Programmes Body (SEUPB), and the funding was very welcome. However, we were not allowed to help anyone who had any particular link or interaction with Invest NI. For example, I had fantastic buyers on a cross-border basis who were willing to meet individual small businesses, but, if they had received a small marketing grant 10 years ago or had even just registered on its Northern Ireland business info website, because of the way in which the funding worked, I was not allowed to help them. We ended up having 280 businesses involved, but I had to reject another 300. That is a big issue with that funding.

There needs to be clarity. What does it mean to be an Invest NI client? Does it mean that you got a bit of information two years ago; that you had a small marketing grant; or that you are a client executive of Invest NI and on the fast track? There needs to be some clarity there. It was really embarrassing having to have to tell small businesses that they could not come on board, even if they had products and services for our clients.

This year, we are funding it ourselves. We have a bank to sponsor us, so it means that we can just get on with it. I have 15 great buyers with products, and I can let whoever wants to come there, as long as they have the products and services that the buyers want.

Mrs Overend: That is concerning. We should perhaps get some clarification from Invest NI on that.

The Chairperson: OK.

Mrs Overend: The challenge is that there are some companies that recognise that they have the ability to export, while others do not even think of exporting. How do we reach those companies? Have you the answer?

Ms McGregor: That is why we started this Growing Something Brilliant campaign.

Mrs Overend: It is getting the message to them.

Mr Nodder: Yes, that is exactly why we did that. We decided to make a lot of noise about it, and, for nearly a year now, we have held a series of rolling events and conferences to which we invited everybody, to try to inspire them. We tell them, "Other people have done this before. You are nervous and may not think that you have the resources, but there are people in this room who can talk to you about it". We just want to encourage them to take that first step, hire that one person or make that one phone call. I think that the events have been very successful, and we have supplemented them with the mentoring and coaching stuff, as well as specific seminars on skills development for exports. It is a campaign that continues. In the spring of this year — April or May — we will have another conference at which we will specifically target the SMEs. We will try to inspire them into the export arena and show them the kind of help that is available.

Ms McGregor: Initially, we were quite Belfast-focused. Although we have membership from all over, events were Belfast-focused. However, last year we managed to get out to Carrickfergus and Dungannon to invite businesses in. We were also in Coleraine. This year, we have bigger plans, so we are doing our bit to get out there and help businesses.

Mrs Overend: In addressing the challenge, you are asking government to develop an explicit export strategy action plan. You were nearly apologetic in saying the word "strategy".

Ms McGregor: I know: we really need another action plan.

Mrs Overend: Have you put it to government, and, if so, what has been the reaction?

Ms McGregor: The research has just come through. However, we know Invest NI quite well and have said to it that we need an action plan. I think that it agreed. We have interacted informally with people whom we know in DETI, and they have said the same. We are pushing an open door, so we just need to get on with it.

Mrs Overend: That is very important. Good luck with that.

The Chairperson: On that point, I have read your broad themes — addressing the challenge; that the scale of the export needs to be recognised; that government should lead by reviews of export data and the export support system — and am surprised. Are you saying that that is not happening at the moment?

Mr Nodder: No. We are saying that, frankly, there are so many strategies and so much data that it is now hard to see the wood for the trees. So many Departments and so many agencies think that it is their responsibility to lead the charge on export. It is utterly confusing for small companies. Those agencies are all motivated and want to do the right thing. However, we are asking for some joined-up thinking. Can we agree who is leading the charge and who are the followers? Can we make the signposting of what is available really clear to the aspirant exporters?

Ms McGregor: I do not think that we cooperate enough. We all know what each other is doing, but we all do things in silos.

The Chairperson: What I am getting at is that we all know that a review can be used to kick the ball down the alleyway, and away it goes. However, what clear direction or outcomes do you want to see, under three or four headings, as a consequence? In other words, what product do you want?

Ms McGregor: I am a former chief executive of Enterprise Northern Ireland. When we started out — God, it was 13 years ago — anybody starting a business faced the same issue as anyone who is now growing a business: where to go for support. At that time, you could have gone to the Local Enterprise Development Unit (LEDU) or to an enterprise agency. It started off with a phone call or online and was very confusing. Out of that, we did a piece of work and branded the support. I know that people have different opinions on the Go For It campaign, but, if you made the phone call, you knew that you were ringing the Go For It campaign. When you went the next day to see the enterprise agency, it was branded as Go For It, and you knew that everything was connected. You knew that that was where you could go for start-up training.

We want something like that to happen around exports. We want small businesses to know that, if they are at a certain stage of development, this is where you go; if you are at a different stage, this is where you go. We want to cooperate and brand everything in some sort of single format. We did some work on that a number of years ago, when we looked at the continuum of support. If you were at the early stage of development, it could be the enterprise agency through to the council. If you were at the next stage, it could be chambers of commerce and Invest NI. If you were at the next stage, it could be Invest NI. However, when the recession hit, we became focused on the jobs fund and business boosting and stopped cooperating and talking about that. We would like that to happen again so that everybody supporting exporters knows what to do and that businesses know how to get support without having to go to 10 places.

The Chairperson: I am getting the broad themes and understand what you are saying. We are meeting the Department and Invest NI on 20 February. Granted, we will forward them your papers, but will you distil your thinking, particularly around the strategy as you see it? We would then be focused on what the business outcomes of the strategy need to be.

Mr Nodder: We have a policy paper on exporting and the challenge of doing it. Rather than read it to you today, I would like the opportunity to distil it into four or five bullet points and write to you.

The Chairperson: That would be very helpful.

Ms McGregor: One immediate one is to be like Enterprise Ireland and have a very specific division for export support, which would be a first-stop shop.

The Chairperson: Thank you.

Mr McKinney: This latter part of the conversation is getting close to the nub of the theme. I am also on the Health Committee, and we are discovering that, if you do not have common understanding and knowledge of the problem, you will end up putting in a review or sticking in some training, which will treat the symptom rather than the fundamental cause. Do you think, given what your latter slides say about a review of export data, and so on, that, before you start reaching for answers, there is a common understanding of the problem across all layers of government?

Mr Nodder: It is interpretative, but the data is well known. The Departments that we interact with know fine well our ranking and where we stand against where we should be.

Mr McKinney: If the data is well known, is that consistent with your call to assess the true extent of NI exporting?

Ms McGregor: I did not want to contradict Mark. We know the number of goods exporters out there. We have no idea of the number of service exporters, and when we try to compare information, there are difference sources. Maureen will be able to help with that.

Ms Maureen O'Reilly: I started the manufacturing sales and export surveys, so I know their content. It is very good, but there is a sense from the research that we have done that we do not know the very bottom layer of what is happening with exports. Yes, if we get the top 10, as you can see from the manufacturing survey, we kind of know a lot, but there is an awful lot of activity happening at the bottom level in exporting that might not get picked up, such as cross-border sales. Philip McDonagh and I recently completed work for the Centre for Cross Border Studies, and there is an awful lot of cross-border activity at the very lowest level that is probably not getting picked up but is critical as a first step into export markets.

Mr McKinney: That goes back to the point that, if we do not know what the problem is and cannot agree what the problem is, how will you ever point to an answer?

Ms McGregor: That is why we want more data. The target is to grow manufacturing export by 20%, but from what base? It is a bit of a hard target to achieve when you do not quite know what the base is.

Ms O'Reilly: You have those 10 companies, and all that it takes is a really good performance from one of those to drive you up towards your 20%. It does not tell you what is happening on the ground, which is that, in the last quarterly survey for the chamber, the export sales and orders were weak for manufacturing. Unfortunately, no consistency has been building there as yet. It might do so in the next couple of quarters. It is about trying to understand that lower level and what is happening there. That is about trying to get to the data while also talking to companies. Departments would get an awful lot of value from speaking more with companies.

Mr McKinney: I have some more questions, but the Committee is slightly ahead of the curve on this because we have been doing some work on the Bradley report, which pointed to the fact that the regional or subregional data is not there. Obviously, the bigger economic swirls or winds that are circulating around have affected that data, but that still cannot account for the differential between exporting in the South and the North. What do you think is the real cause?

Ms McGregor: We do not know all the answers, but there are a couple. One is that, because of the Republic of Ireland's lower levels of corporation tax, it has much more inward investment. Inward investment then has a supply chain, and that supply chain supplies it. It also supplies externally. Do you want to add anything, Mark?

Mr Nodder: The only thing that I can add is from my own experience. In the past year, I finally got around to doing some training, and I did some training and development for a year alongside 36 CEOs

of Irish companies. It was very interesting for four companies from the North to compare and contrast with companies from the South, and we talked an awful lot about where we were headed in developing strategies for export. My sense was that they 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.

Mr McKinney: So, you, in your 25 or more years' experience, do not see that or recognise that here.

Mr Nodder: I get frustrated, because this is a wonderful place with huge potential. It has fantastic people, including engineers such as Richard. Innovation abounds here, so it is frustrating when you cannot deliver it to the customer in the marketplace because you have to manage your way round roadblocks and red tape.

Mr McKinney: Yes, but it is important to praise the efforts of those who engage positively, including your company. I join in the praise of your recent success. Once again, that avoids the issue. What is the real kernel of the issue of political will?

Mr Nodder: I think that it is culture, and it takes time. Everyone has to buy into the fact that we will not rebalance the economy without a huge focus on exports.

Ms McGregor: That is the case at all levels. The Tánaiste invited a number of Northern Ireland business organisations to an event just before Christmas. It was Dublin Castle over a weekend. I cannot remember the title of the event, but it was all about the diaspora. I spent two days with people from all over the world who were spending a week on the island of Ireland trying to help exports to grow. We had the Tánaiste and the Taoiseach there all weekend. It was when he had the vote on the opera house, so he was a man under pressure that weekend, but he was there encouraging exports across the board.

Mr McKinney: I have one technical issue. I do not want to get into a constitutional row, of course, but we do not count our trade into the rest of the UK as export. Does that affect the figures?

Ms McGregor: No, we do not. That is our second biggest customer, so we are missing a point there.

Ms O'Reilly: That is an important point from the perspective of targets. It can be a big step for companies to trade into GB, but it is not recognised as an export market because it is part of the UK.

Mr McKinney: Could that be put into another column somewhere that would be sufficient to satisfy everyone in the room and which would allow the figures to look different in an honest way and not just look different?

Ms McGregor: It probably could.

Mr Flanagan: I have a short question on that. The baseline target for exports does not include exports to Britain, but the actual performance that we are monitoring does.

Ms O'Reilly: Alastair Hamilton raised that a couple of weeks ago when talking about the kind of pressure that Invest NI is under to meet targets. At the end of the day, there is only one target for exports in the Programme for Government, and that is the figure of 20%.

The Chairperson: Of course, you could spend your time chasing a whole pile of data and not get the real work done.

Ms McGregor: The data is confusing.

Mr Douglas: Thanks very much for the presentation. It would be good if we could get an electronic copy of it. It was very good.

Ms McGregor: Yes, and we have a paper to go with it, which gives more detail. We will e-mail it to you.

Mr Douglas: That would be very helpful.

Your presentation mentions the Danske Bank Export First initiative, which is to learn from other exporters. Can you tease out a little more your relationship with the banks? Ann, you mentioned that one of the banks is sponsoring you.

Ms McGregor: All banks in Northern Ireland are members of the Chamber of Commerce, so we know them. We have two banks represented on our board. I have on my board Kevin Kingston, the deputy chief executive and Ellvena Graham, so we are connected at that level. Over the past couple of years, those banks have been criticised by the access-to-finance group and others. Everyone around us has been criticising banks for their perceived lack of interaction with business, and we have been encouraging them to meet businesses directly. Three banks are now funding us to run those programmes, so they are putting their money where their mouth is. The Danske Bank programme has provided me with a certain amount of money — I will not say how much — that allows us to do 26 events a year and which allows us to engage with other exporters. Through that initiative, in the first year, we helped 280 businesses, and, this year, we are doing something similar. The Bank of Ireland has taken on the Gateways to Growth programme. It involves cross-border meet-the-buyer events, and that allows us to provide direct help. That direct help allows us to do our job, which is to meet the buyers and make connections. Ulster Bank is coming in on —

Mr Douglas: That is very encouraging, but there is still criticism, as you say, from small businesses and some of the larger ones. Are the banks changing, or are they a hard nut to crack?

Ms McGregor: I think that they are.

Mr R Bell: Again, I will give a personal experience, Mr Douglas. Danske Bank — this was not connected to the chamber — has been exceptional with us.

Mr Douglas: That is good.

Mr R Bell: I was very up front and said, "Listen, only give me a manager who has imagination. If you don't, I'm not going to deal with you", and it did that. To start with, we had to 100% secure the initial stuff with all our personal belongings. Last week, however, it took a big step because, quite significantly, it moved into unsecured territory with us. Again, it is about presenting the business case, having your numbers and projections and delivering, year on year, what you said you would deliver. My experience, particularly with Danske Bank, has been excellent; I have to be honest. I know that there has been a great deal of criticism of what it has been doing. However, our personal experience, particularly with Danske Bank in the past week, has been exceptional.

Mr Douglas: That is good.

Ms O'Reilly: In the last quarterly survey, the chamber asked members about their relationship with the banks, and it was much more positive than negative.

The Chairperson: I saw that in your report.

Ms Fearon: On the back of what Mr McKinney talked about earlier, there is a serious lack of accurate economic data pertaining solely to the economic situation in the North. We have no measure of GDP for the North; however, we know that about 37% of our GVA comes from cross-border trade. What is your opinion? Is the Department is doing enough to encourage an all-island approach to stimulate economic growth?

Ms O'Reilly: As we said in the recent piece of work that we completed, InterTradeIreland has an important role to play in cross-border trade, and it has a couple of excellent programmes for getting into the market. It is a massive market for first-time exporters. It was interesting, as the research showed that the closer you are to the border, the more likely you are to export. It was about the development of a border development zone. What it suggested was that the issue was not necessarily along the border, because it is natural for businesses to trade in two currencies in order to deal with all the regulatory issues. The issue was trying to get businesses in the north of the North

involved, because there are cultural issues to think about when trading with the South. It is an extremely important part of the export story.

Ms Fearon: On another cross-border issue, do you have any analysis of the effect of the HGV levy on cross-border trade? That will have a serious impact on SMEs that rely heavily on cross-border trade.

Ms McGregor: No, we do not. Sorry.

Mr R Bell: I am sorry. No.

Ms Fearon: Can you come back to us on that?

Ms McGregor: Yes, we will.

Mr Nodder: Yes. We will take that one on.

Ms Fearon: Finally, we spoke about Horizon 2020 earlier. What is your opinion on our target drawdown? I think that it is only £100 million or something compared with £1.3 billion in the South.

Ms McGregor: They have always been better than us. I think that we should try to increase our target, although that is not for me to do.

Ms Fearon: The European operation in the North leaves much to be desired.

The Chairperson: It does. Thanks for drawing us in there, Megan.

On research and development, there is a paragraph about the services for local exporters who are doing research and development themselves. It states:

"However, exporters have concerns over the timeliness of the government supported R&D application process along with the skills of those involved in that process."

Will you expand on that for us? It is flagging up a deficit.

Ms McGregor: Maureen, can you help us with that?

Ms O'Reilly: Will you repeat that?

The Chairperson: It is on page 11 of the document. It is called, "Addendum: business-specific support challenges". The top of the page starts with skills and then moves on to research and development. Do you see it on page 11? The second paragraph in the right-hand column states:

"exporters have concerns over the timeliness of the government supported R&D application process along with the skills of those involved in that process."

Do you have that bit?

Ms McGregor: That came out in one of our round-table forums, although I cannot remember who it was with that time. The 20 top businesses were round the table sharing experience. All those businesses said that they could do more in R&D but felt that they did not work as closely as they could with universities and FE colleges.

The Chairperson: The disconnect theme has come up —

Ms McGregor: It keeps coming up. I will go back to the original data on it, but it was at a round-table dinner. It might have been with the chairman and chief executive of Invest NI that day, but various barriers to export were raised and that was one of them.

The Chairperson: R&D is one of those for innovation —

Ms McGregor: I would have more backup data on that.

The Chairperson: The disconnect that you referred to is not just a perception. I would have anticipated that, at this stage, from six months ago into the previous year, people should have been engaging with you on Horizon 2020 and the opportunities from that. You have clearly done it off your own bat with the chamber of commerce in Dublin, but I would have thought that the people who are employed to do those things should have been putting on their thinking hats, identifying opportunities and getting out there when the money is available to do the work. As I say, it is disappointing that that is happening, but it is clearly reflected by your members.

Ms McGregor: Everybody has specific targets, and they get on and deliver them. We all get busy sometimes and do not look over our shoulder or talk as we should. That is what I think happens generally on the support system.

The Chairperson: Yes, a target is one thing, if it is ambitious enough, and Megan referred to that in the context of finance. With FP7, the North was frankly pathetic in comparison with the rest of the island in its drawdown. Work needs to be done there for people to get their focus. Their target might be the wrong one. It should be connecting with people like you and academia to make sure that there is link-up to identify opportunities and draw down the funds.

Ms McGregor: We need a more co-operative grouping.

The Chairperson: Completely.

Ms McGregor: We are not as cooperative as we could be.

The Chairperson: That is common sense but, in this case, common sense might not be that common.

Mr Agnew: Thank you for the presentation. I am delighted to see two green businesses at the head of the table. *[Laughter.]* The green economy is not just a nice slogan; it is doing well in Northern Ireland.

Chair, I probably should have indicated at the time that my question is specifically on a point that Richard was addressing about the number of sources of R&D funding. It sounds similar to the advice on exports or R&D support, I should say. There is a lot of a little, and what you need is a little of a lot, if that is the right way round. You mentioned Invest NI and councils as two, but what are the other strands of R&D support?

Mr R Bell: There is the science park. There are so many that, to be honest with you, I do not have time to trawl through them all. When you are sitting on my side of the desk with a small company and you have an idea, it is probably short- to medium-term R&D, and you are talking perhaps about a six- to 12-month timeframe. Therefore you need to devote your best resources to get it done quickly in order to give you the competitive advantage in the world or the local economy that you seek. You have a choice: do you spend time trawling for those bits of support and do all the applications; or do you get on and do it, get it to market first and bring in some revenue as a result? I have always chosen to get on and do it and then look for the funding from the bank or somewhere else. It is a very difficult route because you have to expose yourself completely to risk. You cannot afford a lot of time to look. I am not trying to evade your question, but there are so many that you do not have the time to go and look. It does not matter what you want to develop. It costs between £10,000 and £50,000 to develop any sensible product or service, so £2,000 or £3,000 to do a patent search or something like that is meaningless — you can go online and do it yourself. Little drips here and there do not do it for me as the owner of a small business. That is a personal experience; it is not a criticism of anybody and how we got there. It is just how it is when you are sitting on my side of the desk

Ms McGregor: The other thing that I remember about that —

The Chairperson: If I could comment on that, what you require is a point person who you can go to. It could be someone from Invest NI. You could lift the phone and tell them that you have an idea and ask them if they can give you direction about where you should go.

Mr R Bell: It is not even the development. When you have an idea, you are asked to project out for three to five years. It is like being asked to stick your finger in the air and pull out a number. It is all on the wrong basis.

Ms McGregor: Sorry, Patsy. I took a moment to recall what your last comment on R&D was about. Some people have very technical ideas. The people round the table that day were like that, and they felt that those they were applying to were more in the nature of operatives who did not understand their sectors, whether that was renewable energy, food or technology. That was the problem, and it led to a more protracted application process.

The Chairperson: That is an upskilling process. They should know.

Ms McGregor: Yes. Sorry that I was a bit hesitant earlier.

The Chairperson: If people in the system do not know or are not up to speed with what is out there, that is a management and upskilling issue. If you were organising your business like that — you know?

Mr Agnew: I am trying to understand this. Richard, your evidence on the practical steps that you have to take has been really interesting. When you go to Invest NI, does it flag up those other sources, or do you have to go to each individually?

Mr R Bell: We have to sort them out individually.

Mr Agnew: You have to do all that, and when you go to Invest there is nobody who does R&D and gives you all your sources.

Mr R Bell: No.

Mr Agnew: OK. That is what should be happening.

Mr R Bell: The technical team in Invest are very good when you go to them with a project. However, their hands are tied by red tape, and they have processes and due diligence. I understand that; I am not taking a shot at them. However, there are so many things.

Mr Agnew: The ones that you listed are all publicly funded. I am working on a piece of legislation on children's services and the need to pull all the money together. It sounds like the same problem and it requires the same solution. We need a pot.

Ms McGregor: If a business is seeking help, it has to do a business assessment. It might do that with Invest, which is really good. It would also be good if other people had access to that information — not personal information. That would mean that when a business asks us for help we would not ask them the same questions over again. That is a perfect example. We or the person in Invest would know exactly who else could help.

It is the same with banks. We know the banks quite well, and many of the small business advisers in banks were not really aware of all the access-to-finance initiatives that Invest has. As a chamber, we are sharing that information with banks. It is about talking to each other.

Mr Agnew: It sounds as if there are overlaps. These are all publicly funded and are all doing virtually the same thing. We are not talking about specialisms; they are all basically doing the same thing. That is all I need to know, Chair.

Ms McGregor: We are not publicly funded.

Mr Agnew: I know. Of course not.

Mr Mitchel McLaughlin: Quite neatly, the discussion has come to a point that occurred to me earlier. Mark made me think about it when he referred to culture. We have a proliferation of different agencies, boards and people who provide support, but, evidently, there is confusion between where the boundaries are, so we develop protocols. That leads to people being told that they cannot do

something only after being lead up that road, introduced with a handshake and asked to sit down. They are then told, "Sorry, but I do not think that we can take this any further." I have heard that story over and over again.

I was interested in the report. It is a very good report and presentation. The British Chambers of Commerce did a comprehensive piece of work, and I assume that Maureen has been in and out and through it. Were particular issues identified in that work that are a close fit to the peculiar conditions that we are dealing with in the context of the most recent discussion?

If we take the European or British context, our economy is no bigger than that of some county council areas. Yet we behave as if we are nearly a super state and have agencies for everything. Is there a way that we can take advantage of the downturn in export performance and the failure to meet the target that we set ourselves and which we are not going to reverse in this Budget round? Is there an opportunity to carry out a root-and-branch review and produce a model that works elsewhere and includes best practice that we can take on board?

We are caught up in a discussion with Invest about the difference between promoting jobs and creating jobs. We desperately defend ourselves as the best in the world, and there are times when we may be kidding ourselves. Perhaps there is not the critical mass or the education or skills base to meet the targets that we set ourselves. You wonder where that 20% target came from and whether it was just a headline or a goal that was backed up by a strategy and an action plan — I do not think that it was. I think that we could address that now. You could point and say that it will not be any better this time next year. Do you think that anybody in the Executive has pressed the red button?

Mr Nodder: If they have, I am not hearing it. Mitchel, you referred to a root-and-branch review and a model. Frankly, that model may not be too far south of here. That is perhaps where we should look first.

There are, of course, other models, and benchmarking has been done with places such as Singapore, which is a small place with no natural resources, yet it has an incredibly high GDP, high-tech, innovating culture. Finland is also a hotbed of innovation, even though it has a small, geographically dispersed, population and a rotten climate. There are similarities, yet they lead the world in some sectors and are the envy of the world. I think that they also have the highest levels of innovation investment in the world. There are places that we can go to look.

Mr Mitchel McLaughlin: We hear the stories from County Tyrone about the small engineering firms that can export and find a market for their products. That is one of our strengths. It may not be the eventual model for our economy, but it gives us a pointer to what we can do with absolute excellence.

Ms McGregor: It is very important. I was telling Mark yesterday that I used to work in DuPont in Derry — I still call it that even though it is now INVISTA. About 20 spin-out businesses came out of DuPont, and people who had previously worked there moved out and formed engineering and technology businesses. As they had the expertise and support, they were able to supply DuPont and other companies worldwide. We need that. It is no secret that the Tyrone stuff came out of Terex Finlay and all those companies and formed their supply base. You now have fantastic companies. Inside the cover of our presentation is Anaconda Equipment International. It started in Draperstown and now exports brilliant products all over the world. We need more of that.

Ms O'Reilly: A presentation was made to the All Ireland Research Observatory in Cavan last week. A map of Northern Ireland showed the concentration of small successful businesses in Tyrone. There was a big dark-red patch in that area, which was great to see.

From my research I found that smaller firms in Northern Ireland seem to have an issue with cash flow management. That came up at the conference last week, and Southern firms said that they do not get paid by Northern firms. The research that we and InterTradeIreland have done on both sides of the border show that there is a big issue with the finances of small businesses here.

Ms McGregor: In one of our quarterly economic surveys, we asked businesses about finance. Do you remember the detail of that? Thirty-two per cent of them did not have a debt management system or process in place, so they were not chasing their debt. That does not help their cash flow. We have been doing work with them on that.

The Chairperson: Thanks for that, Mitchel. By way of information, as I have already explained to you, the Department and Invest NI are due before us on 20 February. As well as that, the North/South steering group, which includes some of the people who are charged with Horizon 2020, are due with us on 27 February, so you will probably get a rushed phone call in advance of that meeting to cover themselves. I compliment InterTradeIreland, as I have had experience of its work and have seen it operating. It does valued work.

Thank you very much indeed for your contributions. If, in advance of those issues, when organisations and departmental agencies come before us, there are particular issues that you feel should be highlighted, please feel free to get in touch with us, because they are the ones who are there to support you, and it is for us to make sure that that is being done efficiently. Thank you for that and for those bullet points about the strategy and where those pointers should be. Thanks very much for your time. Please keep in touch.

Ms McGregor: Thank you for your time. You have been very generous.

Mr Nodder: Thank you all for your time.