The Centre for Cross Border Studies

MEDIA WATCH

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UK investor initiates bid for wind farms in Republic and Northern Ireland worth up to £590m

A major English firm is at the early bidding stage for a huge portfolio of wind farms in Northern Ireland and the Republic - worth as much as £590m - it can be revealed.

It's understood the company is in talks to take over all or part of Gaelectric's wind farms, which include 13 in Northern Ireland.

Earlier this year it was revealed as many as 20 expressions of interest have been received for Gaelectric's wind farm portfolio, which is likely to have an equity value of between (EURO)250m (£197m) and (EURO)350m (£276m).

Gaelectric did not wish to comment.

Any proceeds would be used to further develop Gaelectric's other renewable energy assets and projects, which include energy storage, solar and bioenergy, as well as energy trading.

Earlier this year, the firm opened a 12 megawatt wind farm at Monnaboy in Co Londonderry.

Gaelectric previously set a target of having 400 megawatts of working wind farms by 2017.

It is understood that parties from the Far East were among those interested in the wind farms, which were also being eyed by European investors.

The company initiated a possible sales process earlier this year, hiring investment bank Rothschild to tease out potential buyers.

Gaelectric has offices in Belfast, Dublin, Manchester and Chicago.

The firm, whose chief executive is Brendan McGrath, was founded in 2004 and owns 13 wind farms in Northern Ireland and nine in the Republic.

It was reported that the sale of the cross-border wind farm portfolio had come under pressure amid Brexit uncertainty.

According to the Sunday Business Post, sources close to potential bidders of the portfolio had said issues around the volatility of the pound were impacting price.

At the start of this month, one of Gaelectric's biggest renewable energy projects in Larne was awarded (EURO)8.28m (£7m) of European funding.

The £300m project - the UK's first compressed air energy storage scheme - involves air being stored in engineered salt caverns under high pressure on Northern Ireland's east coast before being releasing to drive turbines and create power for the grid.

The EU money will pay for environmental impact assessments, planning and design, it said.

The system could generate up to 330mW of electricity - enough to sustain thousands of homes for up to six hours - and the EU said it will contribute to energy security in the UK and Ireland.

Speaking at the time, Brendan McGrath said: "Larne and Northern Ireland will become the blueprint for CAES (Compressed Air Energy Storage) and the integration of renewable energy sources across the rest of the United Kingdom and Europe."

Established a decade ago, Gaelectric has grown to become one of Northern Ireland's biggest developers and operators of wind farms.

Source: The Belfast Telegraph

August 27, 2016

Two patients a day seek treatment in EU over failings in our health system

The situation, which is already double the total figure last year, was outlined by an opposition party last night after it obtained official Department of Health documents detailing the scale of foreign care.

Figures obtained by Sinn Féin health spokeswoman Louise O Reilly show that, between January 1 and June 30 this year, 371 people were transferred out of the Irish health service to be treated abroad under EU cross-border schemes.

The rate, which is the equivalent of two people being transferred every 24 hours, is more than twice the 157 people sent to other countries last year and far higher than the seven individuals who accessed the same service in 2014.

While almost half of the people involved were sent to the North, the majority have been asked to go to Britain, continental Europe, and Scandinavia for the care they need.

And although most cases relate to orthopaedics and orthodontics, an increasing number of transfers are also now focussed on general surgery costing the State 29,246 in 2014, 571,631 in 2015, and 533,199 already this year.

In response, a Department of Health spokesperson said Health Minister Simon Harris is fully committed to reducing waiting lists.

In particular, the spokesperson said that Mr Harris has already instigated a five-point plan to tackle the record 500,000-plus people waiting for care, with a focus on those waiting more than 18 months for treatment.

The spokesperson said that reducing waiting times is not just about increased funding for waiting lists which this Government has committed to and noted Mr Harris also intends to bring back the National Treatment Purchase Fund.

However, Ms O Reilly dismissed the plans, saying the need to send patients to other countries is the direct result of repeated failures to adequately resource the health system.

These figures are symptomatic of a worrying crisis in our health system including lengthening waiting lists and the inability to access treatments and services in a timely fashion, she said.

Ms O Reilly said the failure to tackle issues around access, capacity, funding, and resources in our health service leaves people reliant on schemes like the cross-border directive to get access to health services they need.

While I do welcome the fact patients are getting access to treatments more quickly through use of the cross-border directive there is no replacement for the resourcing and funding of our own health services to meet the demand, she added.

Latest hospital waiting list figures show 530,000 people were having their care delayed at the end of July. More than 430,500 of these patients were waiting for outpatient care and 77,800 for inpatient services.

Source: Irish Examiner

August 27, 2016

Swing vote: What next for Brexit effect on Ireland's golfing tourism?

The approach being taken by our tourism bodies is be summed up by Failte Ireland’s CEO, Shaun Quinn: It is much too early to speculate on the long term consequences of the result for tourism in the British market. As sterling struggles and there are those who predict it could reach parity with the euro it is worth reflecting that the sterling to euro exchange rate of today is still not as low as that of March 2013, or much of 2011. We have battled back from that position and Ireland welcomed 4.5m British visitors to our shores last year. The difference between then and now, however, is the permanence of the factors involved: namely the UK s departure from the EU.

For Irish golf there are three key factors which will present significant challenges in the short to medium term:

1. UK golfers coming to Ireland

Golf visitors from the UK account for roughly 50% of all golfers playing in Ireland, or close to 100,000 people. They may spend less than the average overseas golfer (€1,200*) and stay for a shorter period, but the scale of their business is still vital to Irish golf. This proportion of 50% has, at least, fallen from 66% in the early 2000s as visitor numbers from Continental Europe and the US have taken on greater significance.

The current feedback is that there appears to be no immediate fall in business.

Golf clubs and golf businesses accept, however, that there is considerable uncertainty for next year and beyond.

Conor McKenna, head professional at Concra Wood, Co. Monaghan, is at the coalface of the north/south divide. About 60% of our business comes from the North, he says. The exchange rate will hit us, but this time of year is always busy so it’s moving forward into next year that is of concern. Our goal is to avoid a knee-jerk response of cutting prices and continue to add value instead.

Farther to the south, Club Choice Ireland is an alliance of hotels, resorts and golf clubs in the east and south east, with a specific focus on the UK market. It started providing tailormade golf packages in 2010, to get the UK golfer back to Ireland following the downturn. The business has been booming ever since, with some 85% of their business coming from across the Irish Sea.

Tiernan Byrne, managing director, acknowledges the challenges Brexit now raises: The issue is not the exchange rate volatility but the uncertainty facing prospective clients over the next year or two, he says.

Brexit has not had an immediate impact on business but we are anticipating the potential difficulties and we are working to address the concerns of our clients before they are even raised. One of the ways we are doing that is by ensuring that we are as accommodating as possible and that we add value. The fact that we're a smaller, more personalised organisation helps us to achieve this.

Guy Proddow, director at Golfbreaks.com in Berkshire, offers a UK perspective: UK outbound bookings to Spain and Portugal remain very strong, Proddow says, but the most worrying part for us is if the UK goes into recession. When that happened in 2008/09, rather than going abroad there was a massive pick-up in UK domestic bookings.

We're seeing no significant change to inbound UK bookings at the moment, he continues, but we are definitely pushing Brexit and the falling exchange rate to the US golfing market. These are influential factors, no question.

For 2016, Tourism Ireland is continuing with its broad £4m promotional campaign in the UK, but, moving forward, it may need to consider a stronger value message not just for golf but for all that Ireland has to offer.

2. Irish golfers going to the UK

For Irish golfers, the lure of courses across the UK has been greatly enhanced. The day after Brexit, I chatted to an Irish golfer who had emailed his golfing friends that morning to say: Let s book a trip to Scotland, quick. A journey to the Home of Golf is on the wish list of many golfers but Wales, England and Northern Ireland have also increased in attractiveness. Each has quality golf courses and thanks to the exchange rate green fees, travel, accommodation, food and drink have now all fallen by roughly 15%.

If you remember the joy experienced by Ireland's catering industry when VAT was reduced to 9%, in July 2011, you can imagine how the UK tourism industry must now be rubbing their hands in anticipation of visitors to come. As the UK looks set to struggle in so many other areas in the coming years, the potential upside in tourism will be an important fillip.

This is potentially bad news for Ireland, as Irish golfers may be lured to the UK, rather than staying in Ireland to play our many great courses. One potential message for the Irish golf industry is this: even with the 15% discount in the exchange rate, the €180 it costs to play Lahinch and Ballybunion is still better value than the £230-£275 it costs to play Trump Turnberry and Kingsbarns. There are many Irish golfers who complain about Irish green fee levels but, compared to the top courses in the UK and US, Ireland still leads the way in terms of value.

3. North American and European golfers going to the UK

Despite the increasing number of international golfers visiting Ireland in recent years, the chances are that in many markets North America, specifically the UK has just gained a substantial financial advantage. Sterling is at a 30-year-low against the dollar, and US golfers will be salivating at the prospect of a trip to the mighty Scottish links. (It is only mildly ironic that Scotland voted overwhelmingly to remain in the EU.)

This may not actually be the case, as the highly regarded golf writer, David Owen, points out: The dollar is strong against the euro, too. I think it's pretty close to a toss-up between Ireland and Scotland, and flights are cheap. We've made those trips at times when the exchange rate was lousy, from the American point of view, and by comparison with those everything seems like a bargain.

Ireland also has certain advantages our reputation for friendliness, Irish-American relations (and diaspora) and the black stuff being just some but when you re balancing the two greatest links golf destinations in the world and you get a sudden 15% discount at one end of the scales, that's hard to ignore.

The difference in value is not as significant for Continental European golfers but it could still be a factor in choosing between the UK and Ireland.

These are three vital audiences for Irish golfing bodies to focus on in the years ahead and each will need to be targeted in different ways with different messages. For now the general approach is one of wait and see but

Conor McKenna, from Concra Wood, adds a final warning shot: Most clubs are probably not considering the consequences of Brexit quite yet, but the market is already reacting even if we can't see it. The exchange rate has moved from 1.40 to around 1.17, and that's going to hurt Irish golf.

Source: Irish Examiner

August 30, 2016

Almost no firms in north were prepared for Brexit

Almost every Northern Ireland business had no plans on how to deal with a possible Brexit at the time of the shock EU referendum result, it has been revealed.

The latest InterTradeIreland Business Monitor found 96 per cent of firms in the north had no plans in place for Brexit.

And now, just over one in five expect to cut back on investment plans while 25 per cent of Northern Ireland companies think Brexit will have a negative impact on cross-border sales.

The survey - which covered the second quarter of the year - found a dramatic rise in the number of firms across Ireland concerned about exchange rates up to 27 per cent from 14 per cent in the first three months of the year.

And it found there were variations in confidence across the sectors.

The hospitality industry is expecting a sharp decline in cross-border sales with 84 per cent of companies expecting a downturn compared to around half of those in the manufacturing (49 per cent), construction (52 per cent) and servicing sectors (52 per cent).

Of those questioned, it appeared retail was the most positive with 15 per cent anticipating an impact, perhaps due to exchange rate volatility.

Broken down by size of company, almost half of small companies (46 per cent) anticipated a decrease in sales compared to a third of large (33 per cent) and medium (36 per cent) companies.

InterTradeIreland's strategy and policy director Aidan Gough said the result of the referendum had "caught many businesses on the hop and introduced a large degree of uncertainty into the marketplace".

"Clearly businesses will need support particularly in the provision of timely and relevant information to assist them to adjust to any new trading relationships that emerge from Brexit negotiations," he said.

"In the short term, whilst companies will still trade under the same rules and regulations, we would encourage them to hedge any exposure their business may have to volatile movements in the sterling/euro exchange rate.

"InterTradeIreland will stay on the pulse of business needs and challenges through our business monitor so that we are in a position to respond quickly to business concerns and if necessary will adjust our supports as new trading rules and regulations emerge.

"We encourage businesses, particularly small and medium sized enterprises, to continue to exploit the cross-border market, taking a planned approach to export development or supply chain management."

In terms of wider business performance the picture remained generally positive.

In the second quarter, 86 per cent of businesses in Northern Ireland report that they were stable or growing compared to 93 per cent in Ireland.

This differential between the two jurisdictions has increased from 5 per cent in quarter one to 7 per cent this quarter.

There is also a more positive business position visible when comparing firms which take part in cross-border trade (where 48 per cent are in slight, moderate or rapid growth mode), to only a third in growth mode who are not participating in trading outside their own jurisdiction.

Source: The Irish News

September 02, 2016

Sutherland rejects Brexit Border claim; Former EU commissioner describes David Davis's assertions on Border as 'ridiculous'

Former EU commissioner Peter Sutherland has rejected a claim by the British Brexit secretary that there will be no hard trade border in Ireland after the UK leaves the EU.

Secretary of state for exiting the EU David Davis made the comment yesterday during his first visit to Stormont House.

Mr Davis said Brexit would lead to "big opportunities" for Northern Ireland business and said the British government would take "looking after the regions and nations seriously" in its negotiations with the EU. He also said Britain and the Republic both wanted to maintain an open Border on the island and the Common Travel Area.

He said he was "100 per cent" in agreement with British prime minister Theresa May, who spoke on Wednesday of wanting to control immigration and preserve good trade arrangements. He also said the UK was ideally seeking tariff-free access to the EU.

Matter of negotiation

"With respect to access to the single market, what we will seek to do is ideally have a tariff- free access, but this is a matter of negotiation," he said. "We will be negotiating over an issue I suspect is in the interest of other members of the EU . . . to get a good trading relationship in the long run."

Mr Sutherland, a former World Trade Organisation director general and chairman of Goldman Sachs International, described the assertions as "ridiculous" insofar as goods and services were concerned.

"I am absolutely mystified, not for the first time in this debate, about what is coming out of London," he said. "We have been told by a number of Conservative Party spokespeople that Britain will leave the common customs area of the EU. If this is true, the customs union, which relates to sharing a common external tariff of the EU, will have to be maintained by all other EU countries with the UK following its withdrawal. Goods will have to be checked at borders.

"I would be very fearful that they may be heading towards a negotiation that will require a hard Border between north and south in Ireland. Dismissing this as a prospect at this stage is ridiculous."

In Belfast yesterday, Mr Davis attended talks with DUP First Minister Arlene Foster and DUP Minister for the Economy Simon Hamilton, as well as the inaugural meeting of the Northern Ireland Advisory Group, set up by the Northern Secretary James Brokenshire.

The four core members are the Confederation of British Industry, the Northern Ireland Chamber of Commerce, the Federation of Small Businesses, and the Institute of Directors (NI). Mr Brokenshire said the British government "will get the best possible deal for Northern Ireland" and dismissed suggestions he was out of step with the majority in the North who voted to remain in the EU. "The public of the UK gave a very clear vote," he said. "We now need to move on and get the best possible deal for the UK and for Northern Ireland."

Source: The Irish Times