



The Centre for
Cross Border Studies

MEDIA WATCH

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Business support is vital but must come with caution in uncertain times

HOW do you Brexit-proof the economy and provide supports to businesses when you don't yet know what Brexit will ultimately look like? That's the problem facing the Government. So far the Brexit vote has had only a small impact on the economy, at least on a macro level. The ESRI has revised up its growth forecast for this year and next, so the outlook remains positive.

But for how long? The expert analysis is clear. Brexit could have a serious impact on Ireland, particularly if trade flows between the UK and Ireland are interrupted.

So the challenge for the State is twofold - ensure the economy is resilient to face this as-yet-unknown threat, and ensure businesses are prepared and supported.

At one point over the summer, sterling was worth about 93p to the euro. It has since eased back to the high 80s, but with so much uncertainty on the horizon, most analysts expect sterling to weaken again.

That has had a real impact on companies in Ireland's exporting sector - particularly mushroom producers - as well as Border firms relying on a chunk of business from the North. Tourism from the British market has already been dented. So supports are expected to be announced.

Budget 2017 announced an agriculture cashflow support loan for farmers. A similar scheme is expected for companies in the exporting sector. Finance Minister Paschal Donohoe said the Government would be looking at the issue in terms of market diversification.

Enterprise Ireland has been working with exporting companies to try to persuade them to diversify away from the UK, while also providing grant support, as has cross-border development body InterTradeIreland. But business groups say more needs to be done.

Officials are working on rolling out a Brexit-related working capital guarantee scheme. They are also scoping out the need for a longer-term business development loan scheme, which would help firms in investing for post-Brexit.

Business representative groups, however, want more than simply one-off measures. Ibec said this should go beyond focusing simply on diversification.

As well as cheap loans, it wants to see trade support measures, including export trade financing and export credit guarantees to support continued development of international export markets.

It is a similar argument from the Irish Exporters Association, while tourism lobby groups want the retention of the 9pc VAT rate, even if the European Commission questioned its continued validity.

It is almost universally agreed financial support will have to be forthcoming from the EU also. The Government has made the point it is looking for a relaxation of State aid rules, as well as developing support from the European Investment Bank - a key ask from business groups and farmers alike.

While Government financial support is necessary, so too will be fiscal prudence, given the potential shock to the economy from Brexit.

Source: The Irish Independent

10 October 2017

Belfast uni considers cross-border professorships to keep EU cash

A top UK university is considering creating joint academic posts with institutions in the Irish Republic to ensure it still benefits from post-Brexit European research funding.

Queen's in Belfast, a member of the Russell Group of leading research-driven universities, is exploring the potential of establishing shared professorships with colleges in Dublin and elsewhere south of the Irish border.

The possibility is being examined amid continued uncertainty over whether UK institutions will lose out on a sizeable chunk of research income currently accessed through the EU.

Queen's believes a joint professor dividing his or her time between Northern Ireland and the Irish Republic could avail themselves of EU funds through association with an EU institution.

The academic's salary would be split between the two institutions.

Professor Richard English, pro-vice chancellor for Internationalisation and engagement at Queen's, stressed the idea was at the "early stages" of development but expressed confidence it could work well.

He said Queen's was trying to "think creatively" about the potential challenges posed by Brexit.

"It's hard to measure the cold shoulder effect that Brexit will have in terms of UK science, whether people will be looking for funders other than UK partners because they are not quite sure how it's going to go," he said.

"What we would like to do is guarantee ourselves against that cold wind and so the 50/50 appointments would be one way of doing it."

He said Queen's was initially looking at areas where cross-border collaboration was already well developed.

"If it is something that emerges organically and works well then it could catch on," he said.

Prof English said the location of Queen's could give it an advantage over other UK institutions after Brexit, as to many international players, such as the USA and China, Belfast would be considered "just down the road" from the EU.

Queen's contributes an estimated £1 billion a year to the economy. It employs 3,700 staff and supports more than 9,250 jobs.

In the last financial year it secured more than £100 million in new research grants and contracts.

Source: The Belfast Telegraph

13 October 2017

Surge in visitors from Republic sees Northern Ireland's tourism benefit to tune of £40m

Spending by visitors to Northern Ireland from the Republic soared by 75% to almost £40m in the last six months as the value of the pound plummeted following the UK's vote for Brexit.

New figures from the Republic's Central Statistics Office show that there was a 23% boost in the number of trips to Northern Ireland in the first half of the year.

There were 221,000 trips in the period between January and June, up from 179,000 during the same period a year earlier.

And there were 476,000 nights spent here by visitors from the Republic, up 10%, from 434,000.

Cross-border visitors spent on average £31 more per night compared to the first six months of 2016 "due in part to the fact that more visitors stayed in hotel and guest accommodation", according to Tourism NI.

And while holidaymakers spent an additional 33% this year so far, rising to £78m, it was business visitors who made up the largest increase.

There was a 60% jump in spending by those here on work - rising to £21m.

"Value for money is a key motivator for Republic of Ireland residents and the favourable exchange rates have helped to entice more visitors from this key market and encouraged them to spend more, with the euro worth 11% more during January to June 2017 compared to the same period in 2016," said Naomi Waite, Tourism NI director of marketing.

"This positive 2017 performance also follows recent Tourism NI campaigns in the Republic, which had unprecedented industry participation and have led to even greater interest in and knowledge of Northern Ireland as a short break destination."

Tourism NI said that findings from a report published in June "suggests a positive outlook for the remainder of the year, with hotels and attractions most optimistic and Titanic Belfast reporting a 16% increase in Republic of Ireland visitors year to date". Titanic Belfast said it had enjoyed its busiest spell yet, with a 22% increase in visitors since April.

The tourist magnet welcomed almost 440,000 people through its doors between April and August.

That's up from 360,000 in 2016.

However, the Giant's Causeway is still the most popular tourist attraction.

There was an increase of 11% visitors last year, bringing annual numbers close to one million, according to the Northern Ireland Annual Tourism Statistics.

Last month Howard Hastings, who heads Hastings Hotels, said tourism funding in Northern Ireland "requires an urgent rethink".

The Visit Belfast chairman said "without action" our tourism industry risks seeing slowing levels of growth. He commented: "It is clearly time for Government to step up to the plate and to make a step change in its approach to investment in the marketing of Northern Ireland, for example in its allocation of funds to Tourism NI, to Tourism Ireland and other agencies."

Source: The Belfast Telegraph