

CCBS – LEGISLATIVE AFFAIRS

24/03/2015-2/04/2015



Northern Ireland
Assembly

24 March 2015

Committee for Enterprise, Trade and Investment

Economic Assessment of the Impact of Air Passenger Duty: DETI and UU Economic Policy Unit

Summary: Representatives from the Department of Enterprise, Trade and Investment and the University of Ulster briefed the Committee on a recent report on Air Passenger Duty (APD). When asked whether or not landing charges explained Dublin Airport's competitive edge over Belfast's, Mr Simms advised, *"Dublin is a European capital city and has a different economy to ours. There is population catchment, but then there are GDP figures. There are a lot of reasons why Dublin is more successful than Northern Ireland."*

Mr Hetherington added that, *"charges are an issue, and that is why an air route development fund would be important. However, the most important thing for an airline when it is making a decision about maintaining or establishing a route is demand. The attractiveness of Dublin relative to, say, Belfast is the very high demand for passenger traffic in Dublin or the Republic of Ireland. Demand is more important in ensuring the long-term sustainability of routes."*

When discussing the potential cost to the block grant of devolving APD, Mr Simms stated that *"the £55 million in the report is a Northern Ireland-accurate reflection of what APD would cost us. Treasury said that it would cost £78 million, and it would be about getting it down from that. When we devolved direct long-haul APD, the Treasury initially came back with a cost for Northern Ireland that did not make sense. We had only one route at that stage, which was Belfast to Newark, and there was only a certain proportion of the plane that travelled business class. Treasury gave us the UK average profile and told us that it would cost £5 million, and there had to be robust engagement between DFP and Treasury to say that that did not make sense from a Northern Ireland point of view. I understand that the tax take from Northern Ireland is now about £2 million. When Treasury say that it will cost £78 million, it is on the basis of much more premium traffic and business travel in the UK. It will start from the basis of the UK average and what should apply to Northern Ireland. The engagement would be to get Treasury to come down in the numbers."*

Link: <http://data.niassembly.gov.uk/HansardXml/committee-12836.pdf>

There is no Assembly Business scheduled until Monday 13 April 2015



Thursday, 26 March 2015

Priority Questions

Summary: The Minister for Jobs, Enterprise and Innovation was to respond to the Nevin Economic Research Institute's recent report that 94% of the 29,000 jobs created in 2014 were in the Eastern part of the country, while full-time equivalent jobs declined in the Border counties. The Minister noted that the Nevin Institute's presentation of regional employment data in its Spring report was "at best, misleading". The Minister went on to claim that "In the three years since the Action Plan for Jobs was launched every region has experienced job growth." Furthermore, the Minister noted that "with regard to the Border region, the number of people at work has increased by 14,300. The equivalent figures are 8,000 in the midlands and 22,700 in the south east."

Thomas Pringle: *To ask the Minister for Jobs, Enterprise and Innovation his response to the Nevin Economic Research Institute's recent report that 94% of the 29,000 new jobs created in 2014 were in the eastern part of the country, while full-time equivalent jobs declined in the Border counties; his plans to counteract the decline of jobs growth in counties such as Donegal before it becomes an established pattern in economic development across the country; and if he will make a statement on the matter.*

Richard Bruton (Minister, Department of Jobs, Enterprise and Innovation; Dublin North Central, Fine Gael): *Based on the figures published by the CSO, and given any fair and reasonable review of the data, the Nevin institute's presentation of regional employment data in its recent spring report was, at best, highly misleading. In the three years since the Action Plan for Jobs was launched every region has experienced job growth. Over that period more than 50% of the 90,000 jobs created were outside Dublin and the mid-east areas. Indeed the fastest rate of job growth in that period has been in the south east and the midlands.*

With regard to the Border region, the number of people at work has increased by 14,300. The equivalent figures are 8,000 in the midlands and 22,700 in the south east.

The same is true of the agency assisted enterprises where 51% of gross employment creation during in the period 2011-2014 was outside Dublin and the mid-east. Among agency supported companies there were some strong regional performances. Enterprise Ireland, EI, companies grew net employment in the south west by 27% and in the midlands by 16%, while IDA companies grew net employment by 28% in the west and 21% in the Border region.

However, the Government recognises that some regions are growing faster than others. That is why we are putting in place regional action plans for jobs to accelerate employment in every region. The purpose of these plans is to facilitate each region to achieve its economic potential, building on its existing strengths and opportunities.

The regional action plans will be developed through consultation with key stakeholders in each region. A stakeholder forum to help inform actions for inclusion in the action plan for the Border region will take place later today in Sligo. A further stakeholder forum will take place in Carrickmacross on 13 April.

It is my intention to publish six regional action plans for jobs, including one for the Border region, by July, with a further two in development at that stage.

Link: <https://www.kildarestreet.com/debates/?id=2015-03-26a.25&s=border#g26.q>

Seanad Éireann

Monday, 30 March 2015

Summary: During a Seanad debate, Independent Senator Feargal Quinn noted his concerns regarding a British exit from the European Union, in particular relating to border control, business, tourism and exports.

Feargal Quinn (Independent): *Yesterday the British Government announced it was going to dissolve parliament and hold an election next month. Although normally that would not attract a huge amount of our attention as we look on from a distance, the Conservative Party has stated it is its intention to hold a referendum on Britain leaving the European Union. That would have a huge impact on Ireland, not just on business, tourism and exports. It would probably mean passports would be required at the Border between Dundalk and Newry. I do not know if we have given any thought or attention to the implications of such a decision. While it would not happen immediately as the Conservatives would have to win the election and then the referendum, it is frightening to think about the implications for us from a business point of view and in terms of how we manage our own affairs.*

Link: <https://www.kildarestreet.com/sendebates/?id=2015-03-30a.5&s=border#g16>