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Northern Ireland  
Assembly

Tuesday 10<sup>th</sup> November 2015

**Oral Answers to Questions (Enterprise, Trade and Investment) – Brexit: Local Impact**

**Summary:** Mr McKinney asked the Minister of Enterprise, Trade and Investment for his assessment of the impact that the EU referendum will have on the local economy. Mr Bell revealed that the Department is involved with the Oxford Economics research group who are undertaking a project to examine the likely impact of Brexit in various plausible scenarios.

**Mr Bell (The Minister of Enterprise, Trade and Investment):** I have an opportunity to wish you well, Mr Speaker, after your announcement this morning. My Department became aware of an existing research study by Oxford Economics that was seeking UK-wide funding to examine the potential impacts of a UK exit from the EU under a selection of plausible scenarios. We have now accepted a proposal from Oxford Economics to join its UK study and to have its work extended to Northern Ireland following a formal approach that we made to it during October.

**Mr McKinney:** I thank the Minister. While the Oxford Economics approach is welcome, given the scale of EU assistance to Northern Ireland in agriculture, infrastructure, Peace and innovation, does the Minister agree that the Northern Irish economy would continue to experience a net benefit from remaining in the EU?

**Mr Bell:** The Oxford Economics research study proposes to examine a range of the potential scenarios, not just a simple in/out scenario. The study we have commissioned will look at, for example, the Norwegian option, which is to leave the European Union but become a member of the European economic area; the Swiss option, which is a new settlement as a product of continued bilateral negotiation; the Turkish option whereby the UK would enter into a customs union with the European Union similar to the current arrangements adopted by Turkey; and also complete withdrawal involving a complete repatriation of powers, with the UK's EU trading relationship determined according to the work of the World Trade Organization's most-favoured-nation criteria. We will look at all the specific impacts of these potential exit scenarios in Northern Ireland across issues such as GDP, sector output, trade volume, household spending and unemployment.

**Mr Lyons:** Will the Minister tell us the terms of reference that have been agreed between the Department and the Oxford Economics research group?

**Mr Bell:** We have set them specifically to look at what I have explained; the different options available and the potential impact those will have across the whole range of scenarios. We have to look very seriously at the implications of being in and being out. If we are to be in, then what potential benefits will there be, and, if we are to be out, what pitfalls will there be and what potential successes could we have, such as free-trade agreements and specific economic zones with areas where we currently do not have them. Let us take all the research and consider it in the round, looking specifically at a range of metrics; GDP, output by sector, trade volume, household spending, employment and unemployment. Comparisons will be made throughout the United Kingdom as a whole. The short paper exercise and access to a database detailing the results are expected to be available to us by the end of this financial year.

**Mr Flanagan:** Go raibh maith agat, a Cheann Comhairle. I thank the Minister for his answers. I note that there is no firm opinion from him on what his or his party's view is on our future position within Europe. Will he give us an indication of whether he would be willing to support the call for any decision on a referendum here to be binding, so that if the majority of people here vote to stay within the European Union, that is what should happen?

**Mr Bell:** As we are part of the United Kingdom then, legally, we will be part of the United Kingdom when taking part in the United Kingdom referendum. It is the "United Kingdom referendum": the clue is in the title.

**Mr Allister:** Does the Minister agree that it would be liberating for this trading nation, the United Kingdom, to be freed, in consequence of leaving the EU, of the shackles of bureaucracy on our economy and that it would be liberating with regard to the growth markets which are outside the EU in that we would have the free facility to make our own trade agreements where there is growth rather than be tied to the moribund EU economy, which is now down to less than 20% of the world's GDP?

**Mr Bell:** All that will need to be considered in the round. Members have asked me about the DUP's position, and I stand fully behind what Diane Dodds has done. I am not, however, answering questions as a DUP Minister; I am answering questions as the Enterprise, Trade and Investment Minister. We have to take a number of issues into account. There are particular advantages in being part of a market of 500 million people. We have to look at the scenarios that I outlined to see what the benefits are, what brings in the most GDP and employment and what represents the best value for United Kingdom citizens.

We also need to consider the scenarios that the honourable Member pointed out — very well, I have to add — of the potential, should we leave the European Union and look towards what we can do with free trade in some of the world's emerging markets. The honourable Member made those points well; I suppose that we trained you well when you were a DUP MEP.

**Ms Sugden:** I am glad to hear that the Minister acknowledges the pitfalls of being in and out. Given that farming underpins our economy, has he met any farming groups to discuss the impact of a Brexit on that industry?

**Mr Bell:** I have met a number of farming groups on a range of issues. We have to look, for example, towards the common agricultural policy, but we also need expert opinion on what would be available to Northern Ireland farmers if we were not paying money into the European Union. What scenarios could there be? I understand that the agrifood sector is a key beneficiary of EU membership as a trading partner and as the result of direct funding from the sector. I also acknowledge that we exported over £1.1 billion in sales to the European Union, although the exact impact on those sales, according to research, depends on the terms that the UK Government would negotiate with the European Union on the movement of goods and services.

The UK, including Northern Ireland, would face a departure from the common agricultural policy and its related subsidies and regulations. I know that many local farmers rely on the single farm payment in order to be viable, but we also need to look at the money that would be available for them were we to be out.

Source: <http://data.niassembly.gov.uk/HansardXml/plenary-10-11-2015.pdf>

**Tuesday 10<sup>th</sup> November 2015**

**Executive Committee Business – Shared Education Bill: Second Stage**

**Summary: Upon examination of the Shared Education Bill, Mr Flanagan stressed the importance of the cross-border dimension of shared education, referring to the benefits experienced in Fermanagh.**

**Mr Flanagan:** It is also important to reflect on the success of the shared education programme in Fermanagh, in the sense that it is not just cross-community but **cross-border**. A number of the maintained schools along the border corridor regularly engage and share with minority Protestant schools on the other side of the border. Protestant schools from the South come up to engage with children from a Catholic background in the North, which is tremendous, because not only do we have a problem in the North with children from both backgrounds not engaging with each other but we have a serious problem with neighbours from Fermanagh and Leitrim or Fermanagh and Donegal not engaging. The shared education programme in Fermanagh has also helped to break down those barriers.

In engaging with parents, teachers and school leaders across Fermanagh, it is easy to see the empirical evidence of the benefits of shared education in how it helps our children to develop, to broaden their minds and to know that their identity is not the only one. There is no one identity here that is more right or more justified than the other. All of us come from different backgrounds and mentalities, and it is important that we allow young people, at an early age, to establish that there are other people out there who hold different views. That is one of the key benefits of the shared education programme, and it also helps to break down community relations and tensions between communities.

Source: <http://data.niassembly.gov.uk/HansardXml/plenary-10-11-2015.pdf>

Tuesday 10<sup>th</sup> November 2015

**Private Members' Business – Regional Economic Imbalance**

**Summary:** Mr Flanagan sought to move that the Assembly expresses its concern at the levels of economic imbalance in certain regions of Northern Ireland (north and west Belfast, west of the Bann and along the border corridor) and sets up a ministerial subgroup to address this. During the debate, Mr Flanagan made reference to several cross-border aspects as well as opportunities for cooperation on this front. Ms Fearon urged the Minister to consider the proposal of a border development zone, referring to the unique circumstances of the border regions. The Assembly was divided on the question: 38 Ayes to 47 Noes. The motion did not pass.

**Mr Flanagan:** A recent OECD report on the border region found that the North: "remains relatively more peripheral with respect to its political influence". If the North is already on the periphery as a result of the emanation of economic policies from London, imagine how much more peripheral areas west of the Bann and along the border corridor are. The threatened withdrawal from the European Union would only worsen this as any existing opportunities for cross-border cooperation and harmonisation using EU mechanisms would be removed. Official statistics for disposable income, low pay, levels of economic inactivity and long-term unemployment are also comparably worse in peripheral areas such as Fermanagh and Omagh, Derry and Strabane, and the Causeway Coast and glens. While our overall unemployment rate is falling steadily, it is remaining steady for long-term unemployment.

Some Members may well rise to deny once more that a problem exists, even Members who left Fermanagh many years ago to get a job in the greater Belfast area. There was a commitment in the Programme for Government 2011-15 to address regional imbalance. The establishment of the ministerial subgroup on regional opportunities has done initial exploratory work on the Derry area. I would like to hear news about what it is actually doing and when we can see that group beginning to look at the specific challenges facing rural communities and how we can create employment for our citizens, particularly to stem the growing demographic changes in our society — the wholesale movement of people from rural to urban communities and the problems we face with emigration [...].

**Ms Fearon:** People and businesses in the border corridor, including those in my area of Newry and Armagh, face a unique set of circumstances. The response to that must be tailored to those needs. The Minister should seriously consider the proposal of a border development zone. Historical lack of investment has ensured that the border region suffers higher levels of unemployment, emigration, deprivation and stunted economic growth. Given the prevalence of the border in everyday life, solutions to this must be cross-border in nature. The island-wide economy generates £3 billion annually, with significant potential for growth. There are already some cross-border initiatives that can be built upon. I believe that InterTradeIreland must be supported in its work — and it has made such a difference in my area — as should Newry, Mourne and Down Council and Louth County Council's memorandum of understanding.

Targeted and sustained action over a period of time from both Governments, North and South, could make a real difference to the lives of citizens in the border region. However, these area-based initiatives will only go so far towards a solution. They play an important role but are incapable of transforming the local economy on their own. Areas are being given responsibility for economic development but not really the resources and policy levers required to deliver it. Basically, it is responsibility without power [...].

**Mr Ó Muilleoir:** Megan Fearon brought suggestions for new proposals to the table about a border economic development zone. We should look at that. In that context, the cutbacks to InterTradeIreland by both Governments worry us, but the Newry/Louth memorandum of understanding that she mentioned is an example of positive development. The Minister referred to that as well. I am convinced that there are innovative and exemplary projects out there from which we can learn, such as, in particular, the North West Science Park in Derry and Letterkenny.

**Source:** <http://data.niassembly.gov.uk/HansardXml/plenary-10-11-2015.pdf>

**Tuesday 10<sup>th</sup> November 2015**

**Private Members' Business – Transport Infrastructure Funding**

**Summary:** A question was put and agreed upon to enable the hastened sourcing of capital investment for transport infrastructure in the north-west, including the cross-border A5 project.

**Mr Dallat:** I beg to move

*That this Assembly, mindful of the transport infrastructure in the north-west and conscious of the influence good transport infrastructure has in attracting new inward investment, asks that a special case be made to source the capital investment needed to complete the A5 cross-border project, the A6 dual carriageway, including the bypass for Dungiven, the final upgrade of the Belfast to Derry rail line that will ensure an hourly service, and the reopening of the Antrim to Portadown line to allow a direct service to Dublin.*

**Mr Lunn:** The A5 intrigues me. Apparently, it is a priority project for Martin McGuinness. It is a stand-orfall project, and the whole Assembly will collapse if we do not upgrade the A5. The section of the A4 from the end of the motorway to Ballygawley shows what can be done; it is fantastic. The main problem is from Ballygawley to Strabane, but the A5 also extends the other way, down to Aughnacloy. That is the reason for the Southern Government's interest in it: it is part of their overall strategy for an all-Ireland network. That is very laudable. I do not know the road, but I am told that the section to the south of Aughnacloy is single carriageway. It is not as if they have brought the dual carriageway to the border and are waiting for us to do the rest. It would open up the north-west and Donegal, and I could not argue with that. I would love to see it done.

**Source:** <http://data.niassembly.gov.uk/HansardXml/plenary-10-11-2015.pdf>

Tuesday 10<sup>th</sup> November 2015

**Written Answers (Department of Foreign Affairs and Trade) – EU Membership**

**Summary: Mr Smith asks Mr Flanagan, Minister for Foreign Affairs and Trade, for a response to a ESRI report into the effect of a Brexit on Ireland's economy specifically.**

**Mr Smith:** 467. To ask the Minister for Foreign Affairs and Trade his views on the recent Economic and Social Research Institute Report regarding a possible British exit from the European Union; and if he will make a statement on the matter.

**Mr Flanagan:** I welcome the publication of this valuable report by the Economic and Social Research Institute (ESRI) that was commissioned by the Department of Finance. It has already served to deepen our understanding of the various and complex issues that arise for Ireland in connection with a potential change in the nature of the UK's relationship with the EU.

The findings of the study are clear: there are significant risks for Ireland if the UK were to leave the EU. Key areas of our economy could be adversely affected and there would also be implications for migration and in regard to the border between both parts of the island. Particular difficulties might arise as well in the energy sector.

The report reinforces our conviction that a British withdrawal from the Union would be very negative for Ireland. That is why we are already working hard, across Government, to help ensure that scenario does not come to pass. This means working with all our EU partners, and especially the UK, to find a solution that will allow for continued British membership of the Union. My Department is naturally heavily involved in that process, as is our Embassy in London and all our diplomatic missions.

The Government has also raised our concerns about any change in the nature of the EU-UK relationship with the British Government. In a number of meetings this year, I have stressed to the British Foreign Secretary, Philip Hammond, how much we value the UK's continuing presence in the Union. I have also emphasized the important role our common membership has played in strengthening our bilateral ties and in supporting peace and political stability in Northern Ireland. The Taoiseach has made similar points in discussions with Prime Minister Cameron.

The Government will continue to make its voice heard in the debate ahead in the UK on its membership of the Union. Just yesterday in London, the Taoiseach highlighted again how important continued British membership of the EU is to Ireland in a speech at the annual conference of the Confederation of British Industry. He also reconfirmed the Government's commitment to work with the UK on areas of common interest within the British reform agenda.

Our approach continues to be guided by the belief that the best way to mitigate the risks of a British departure from the Union is to ensure it does not happen in the first place. At the same time, we recognize that we must be prepared for any scenario.

Source: <https://www.kildarestreet.com/wrans/?id=2015-11-10a.1153&s=border#g1155.r>

Tuesday 10<sup>th</sup> November 2015

**Written Answers (Department of Communications, Energy and Natural Resources) – North-South Interconnector**

**Summary: Ms McEntee requested an update on developments regarding the North-South energy interconnector. Mr White's response was restricted by ongoing application processes.**

**Ms McEntee:** 82. To ask the Minister for Communications, Energy and Natural Resources if he will provide an update on his engagements with EirGrid in respect of the proposed North-South energy interconnector; and if he will make a statement on the matter.

**Mr White:** As the Deputy will be aware, EirGrid made a formal application for the North South Transmission Link Project to An Bord Pleanála on 9 June 2015. I am constrained, therefore, in what I can say in relation to the project other than the provision of factual information.

The North South Transmission Link project is part of EirGrid's Grid25 plan to upgrade the national electricity transmission system between now and 2025. It is a strategically urgent project that will remove restrictions limiting cross-border power flows between Ireland and Northern Ireland thus strengthening security of electricity supply throughout the island of Ireland.

In discharging its duties as operator and developer of the national transmission grid, EirGrid engages with communities and citizens on an ongoing basis. In December 2014 it completed a comprehensive review of its existing consultation process and has been working since then to implement the commitments arising from the review including: developing a participative, more community based approach; changing fundamentally its culture and processes so as to develop stronger engagement and relationships with stakeholders; and encouraging more effective discussion on energy and critical infrastructure.

EirGrid has opened offices in Navan, Cootehill and Carrickmacross and has appointed Community Liaison Officers and Agricultural Liaison Officers who are all involved in outreach to the local communities along the intended route of the North South Transmission Link project. There has been extensive public consultation on the North South Transmission Link project including statutory consultation as required under Regulation (EU) No. 347/2013 on guidelines for trans-European energy infrastructure and Section 182A of the Planning and Development Act, 2000, as amended.

Source: <https://www.kildarestreet.com/wrans/?id=2015-11-10a.26&s=border#g28.r>