The Centre for
Cross Border Studies

MEDIA WATCH

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5 December 2015

Belfast-Dublin train to take 11 more minutes

A Stormont politician is seeking a meeting with the Republic's Minister for Transport, Paschal Donohoe, after it emerged the early morning train journey between Belfast and Dublin is about to increase by 11 minutes.

SDLP MLA John Dallat said the "slow and overcrowded" Enterprise service is "crying out" for investment.

Instead of a 6.50am departure, it is proposed the first service from Belfast will leave 35 minutes earlier at 6.15am, to arrive in Dublin's Connolly station at 8.41am. This will mean a journey time of two hours and 26 minutes, which is 11 minutes longer than the current time.

Mr Dallat, a member of Stormont's regional development committee, believes **cross-border** rail must be recognised as a key way to address "one of many practical problems with partition".

"This can only happen when both governments make it a priority. Both governments must commit to creating a new Enterprise service which is fit for purpose, one that boasts a much-reduced travel time and has the capacity to cope with demand."

A consultation on the new timetable is live on the Irish Rail website until December 8th.

Source: https://www.irishtimes.com/news/ireland/irish-news/belfast-dublin-train-to-take-11-more-minutes-1.2455138

8 December 2015

A stable Executive and corporation tax control is a good start for 2016; Economy Watch

We heard again during Chancellor of the Exchequer George Osborne's Autumn Statement that the "economic plan is working" which can largely be put down to the fact that 'the economic plan keeps changing'.

The Office for Budget Responsibility (OBR) estimates that the Conservative government's newly scaled-back cuts are now very similar to the proposed cuts set out by the Labour party prior to the general election in May. Nonetheless, so long as the correct economic policies are finally being implemented and the economy stays on track, it doesn't really matter to us if Mr Osborne turns around more times than a puppy before it lies down.

November was a good month for Northern Ireland. We had a breakthrough political agreement and the Autumn Statement and Comprehensive Spending Review was not as tough on the local economy as initially anticipated. Although hefty cuts were applied to many Whitehall departments, health and education in England were largely protected and therefore, through the workings of the Barnett formula, Northern Ireland's block grant for public expenditure was also for the most part protected.

There was a short-term reprieve from the Chancellor for households receiving working tax credits and, at long last, it was good to see that Mr Osborne finally recognised that when interest rates are low and borrowing is cheap, this is actually a good time to invest in infrastructure.

Infrastructure investment is an integral component of economic growth and thus the latest 12.4% uplift in real terms in Northern Ireland's capital budget should be welcomed.

At the end of this month the Finance Minister Arlene Foster will set out the new budget for the NI Executive to agree. With a planned reduction to only nine government departments, a May election and new Executive mid-2016, a short-term budget will most probably be the most realistic option until all the new structures are established.

While there will, of course, be some departmental constraints (only health and education are protected) we should nonetheless expect to see some of George Osborne's increased funds for capital spend translated into signing off a number of major infrastructure projects that have been sitting in the pipeline.

Any new investment in our roads, hospitals, schools, social housing, air routes and telecommunications will not only be beneficial to the public, but will also raise our attractiveness to foreign direct investors and lend much needed support to the construction, architecture and civil engineering sectors.

Interestingly, another theme running through the November Spending Review was the emphasis on devolution. The Chancellor is keen to push out greater powers to local authorities for services such as social care and in doing so he will be putting some distance between central government and future cuts to service provision.

Power from the centre is also being pushed out to the UK regions and as part of that greater devolution plan the Northern Ireland Assembly will finally have control over the local rate of corporation tax - subject to local finances being put on a "sustainable footing".

Sustainable fiscal planning will be a core element of our economic independence. We have to assume that in the future we will have to face up to making the right choices in terms of reducing wasteful public spending and introducing some moderate tax revenue raising streams, such as prescription charges or water rates. The new Stormont House Agreement 'A Fresh Start' incorporates a plan to create an independent fiscal council in Northern Ireland and indeed, independent fiscal analysis should be welcomed. Perhaps a regional division of the Office of Budgetary Responsibility could fulfil that commitment without the added cost.

Mr Osborne's eagerness to promote devolution means that local economic prosperity will be increasingly down to local people and in Northern Ireland that can only be a good thing. For too long, our economy has lagged behind the rest of the UK in terms of economic growth, yet in such a small place it should be perfectly feasible to co-ordinate tailor made economic policies that tackle our challenges head on and allow us to grasp good opportunities.

The challenges for our economy are well documented - an under-developed private sector, low levels of external trade, underachievement in schools and low productivity.

The opportunities are probably less renowned but include: developing further the knowledge element of our economy, rediscovering our entrepreneurial and innovative flair, investing in infrastructure and connectivity, developing business clusters around local universities and FE colleges, scaling-up indigenous businesses and having a tax regime conducive to business and investment. We could also make better use of the goodwill that is extended to NI from right across the globe, working with our neighbours in the Republic of Ireland on **cross-border** initiatives and to access more EU funding for public and private R&D programmes, **cross-border** tourism and the development of border towns. Economic success can be ours if we focus on supplying 21st century products and technologies relating to health, security, energy, entertainment and food.

In summary, we are entering 2016 with a working government and greater control over an economy which holds untold potential.

That's a very good start.

Source: http://www.belfasttelegraph.co.uk/business/economy-watch/a-stable-executive-and-corporation-tax-control-is-a-good-start-for-2016-34267166.html

9 December 2015

UK financial firms could flock here after Brexit – Bank

Colm Kelpie UK-BASED financial services firms could look to relocate to Ireland if Britain pulls out of the European Union, the Central Bank has said.

If this occurs, the impact on the sector here could be significant, with positive and negative consequences from an economic point of view.

British Prime Minister David Cameron has promised to renegotiate Britain's ties with the EU ahead of a membership vote by the end of 2017. In a special article along with its latest Macro Financial Review, the Central Bank said any potential shift in foreign direct investment from the UK to Ireland could lead to an increase in the size of the sector and would have an impact on supervision.

Dame Street said it has been engaging with firms across all parts of the financial sector regarding risks relating to a potential UK withdrawal.

It warned that for the banking sector, the impact on profitability could occur as a result of any slowdown in the UK economy and/or property market spillover effects, particularly through reduced lending to businesses and small and medium-sized companies dependent on UK economic conditions.

It warned that the five retail banks operating in Ireland have a total loan exposure of around (EURO)64bn, or 21pc, of their total assets, in the UK.

The Central Bank said any shock to the UK economy could cause issues for future growth, profitability and loan performance.

And it warned that Irish insurers could face restrictions upon their ability to conduct **cross-border** insurance business into the UK.

"A disorderly 'Brexit' could be associated with a loss of access to European markets for UKbased financial services firms," the Central Bank said.

"It is possible that some of these firms would look to expand/relocate/establish operations in another EU member country as a consequence, with Ireland a potential location.

"In such an event, the impact on the financial sector here might be significant, with positive and negative consequences from an economic perspective and a direct impact on the scale of the Central Bank's mandate, for example arising from increased numbers of authorisations, changes in type and complexity of business models including the possible establishment of financial market infrastructures, etc."

Source: http://www.independent.ie/business/irish/uk-financial-firms-could-flock-here-after-brexit-bank-34271430.html

10 December 2015

EU plans to let consumers access online subscriptions abroad

The European Commission has announced proposals to make it easier for consumers to use their online subscriptions to services such as Netflix and Sky Sports while abroad.

Most consumers are currently unable to watch movies or football matches when visiting another country due to "geoblocking", which stops users from accessing their subscriptions when outside of their country of residence.

The commission said it wanted to see an end to geoblocking by bringing in pan-EU subscriptions to streaming services. The move would mean consumers with subscriptions to online services in one member state would be able to use them elsewhere.
Portability of digital content

It has introduced a new regulation to enable **cross-border** "portability" of digital content, as well as a plan to modernise copyright law.

"We want to ensure the portability of content across borders. People who legally buy content - films, books, football matches, TV series - must be able to carry it with them anywhere they go in Europe. This is a real change, similar to what we did to end roaming charges," said Andrus Ansip, vice-president for the digital single market.

"Our aim is to widen people's access to cultural content online and support creators. We want to strengthen European R&D, using technologies like text and data mining. The digital single market is the blueprint for Europe claiming its place in the digital era, today we start making it a reality," he added.

Copyright rules

The commission said most copyright rules date back to 2001, meaning they are no longer relevant to an age in which many consumers access content such as music, film and games online.

The commission is also looking into whether action is needed on online news aggregation services, such as Google News, which display brief snippets of articles. It said it has no plans to tax hyperlinks.

New rules to improve the protection of European consumers when shopping online and to help businesses sell across borders have also been proposed by the commission.

It said that removing barriers to contract law difference would benefit the EU economy while also offering better protection to those who buy or rent goods or services online.

Source: https://www.irishtimes.com/business/media-and-marketing/eu-plans-to-let-consumers-access-online-subscriptions-abroad-1.2460010

10 December 2015

Republic's tills ringing as Northern Ireland shoppers cash in on great euro rate

Northern Ireland shoppers are heading across the border in their droves to take advantage of the exchange rate in the run-up to Christmas.

There are also reports of a surge in office parties being booked in the Republic so cash-strapped consumers can get more bang for their buck.

This represents a complete reversal of the **cross-border** Christmas shopping phenomenon of 2008 (when £1 was equal to 1(EURO); whereas today 1(EURO) is worth 72p), which saw massive motorway queues as shoppers from the Republic flocked to Londonderry, Strabane, Enniskillen and Newry to stock up on goods.

Now it is southern retailers - particularly in counties along the border - who have been seeing a substantial hike in the number of northern registrations and sterling payments at shopping outlets over the past few months.

Harry Traynor, manager of The Marshes in Dundalk, Co Louth, said the shopping centre's car park had been operating at full capacity for the past two weekends.

"Being on the floor, I hear a lot more northern accents than ever before and retailers are seeing an uplift in sterling spend of around 12%," he said.

"From February onwards we have definitely felt the benefit of our northern catchment area, with a lot of transactions not necessarily in cash but via debit and credit cards.

"There's no doubting that those consumers are benefiting from up to 30% extra spending power, and that's not to be sniffed at."

Mr Traynor said that, having attracted new tenants such as H&M, Diesel and Vera Moda, The Marshes currently has few vacant retail outlets.

"We're doing very well now and we're seeing a total role reversal of 2008/09 when southern shoppers went to Northern Ireland in search of bargains," he added.

Toni Forrester, CEO of Letterkenny Chamber of Commerce, said the town has been very busy throughout the year.

"People - especially those from Strabane and Derry - are definitely crossing the border to shop," she said.

"Our car parks and shopping centres have been very busy, and recently they've been getting busier.

"We've also seen local shoppers from places like Inishowen, who would have traditionally shopped in Northern Ireland, coming to Letterkenny instead.

"There's no incentive for anyone earning euros to spend in sterling."

Ms Forrester said hotels in Co Donegal were reporting increased bookings for Christmas parties from Northern Ireland office workers .

"The other thing hoteliers have said is that weekend deals have been snapped up," the Chamber of Commerce chief added.

"Mini-breaks have been selling out and people have been spending money in local shops, bars and restaurants, so it has definitely been a good year for retail and hospitality."

A spokeswoman for the four-star Clanree Hotel in Letterkenny said there had been a hike in Christmas party bookings from across the border.

"We've seen an increase in people coming from the Tyrone area and further afield because they're getting great value for money," she said.

"It has been a big help to our Christmas trade this year and we're almost fully booked."

Michael Murphy Sports and Leisure is one of the Letterkenny traders benefiting from the current exchange rate.

Martin Sweeney, the sports shop's manager, said: "We have definitely had a lot more customers from across the border over the last few months."

Source: http://www.belfasttelegraph.co.uk/business/news/republics-tills-ringing-as-northern-ireland-shoppers-cash-in-on-great-euro-rate-34274395.html