



The Centre for
Cross Border Studies

MEDIA WATCH

5 January 2018 – 12 January 2018

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North's workers braced for 'new normal' of Brexit; Ulster University has asked stakeholders to identify the key risks and opportunities

The ongoing lack of clarity around Brexit continues to create uncertainty for the Northern Ireland business community and this is likely to be the "new normal" for the foreseeable future.

In the context of these challenges, Ulster University (UU) has been actively engaging with stakeholders to identify key risks - and indeed opportunities - associated with Brexit and to consider how Northern Ireland's businesses might best respond to these.

More than 230 companies responded to the Ulster University Business School Brexit Business Survey in April/May 2017 from a range of sectors. They were mainly based in Northern Ireland (8 per cent were from the Republic) and of varied size. The initial objective was to identify how reliant survey respondents are on the EU, both in terms of trade and access to labour/skills. The sample indicated a reasonable rate of EU reliance:

- respondents export 28 per cent of sales to EU markets (including the Republic, excluding Britain)
- 29 per cent of respondents' purchases are imported from the EU (excluding Britain)
- 23 per cent of respondents' workforce is comprised of nationals from south of the Border
- 18 per cent of respondents' workforce is comprised of other EU nationals (excluding Britain)

Relative reliance

This relative reliance on the EU is important, both at a business operations level in terms of firms importing and exporting, but also in a broader economic context, in relation to accessing skills and

labour. Given Northern Ireland's well-documented productivity gap, it would be concerning from an economic perspective if Brexit hindered the retention of skilled migrant labour.

The survey confirms that the North's firms are keenly aware of the significant risks that they face as a result of Brexit. Only 6 per cent of respondents considered themselves not to be at risk and 64 per cent of respondents believe that their business will suffer as a result.

The perception of risk to the North's economy is stronger still; 71 per cent of firms anticipate a detrimental economic impact.

When asked about the specifics of the perceived risks to the Northern Ireland economy, the most commonly cited concern was the current political vacuum, and the implications in terms of ensuring representation of local interests. Perhaps surprisingly, this ranked above the issue of cross-Border trade.

Northern businesses are clearly concerned that the political stalemate at Stormont, and the associated absence of a single voice for Northern Ireland, has the potential to be a considerable detriment. There is an acute awareness of the risks associated with the North being underrepresented during the Brexit negotiation and exit processes.

So, firms are concerned about Brexit. Yet the survey indicates that three out of four local companies have not sought related support from outside of their own organisation and 70 per cent do not have a plan in place. The level of contingency planning may vary with company size (with smaller firms being comparatively unlikely to have plans in place) so this statistic may in fact understate the level of planning under way.

This response could of course also be reflective of the early stage in the Brexit process (one in five respondents stated that there was no point in seeking external support until the terms of Brexit are known).

Many northern businesses may have also been the beneficiaries of the devaluation of sterling against the euro (post-Brexit vote), and associated boosts to the North's exports and tourism. As such, for some local businesses, the reality of Brexit has not yet materialised and planning/mitigating against risks may not be an imminent priority.

Potential opportunities

It is, of course, important to acknowledge potential opportunities associated with Brexit and the survey indicates that some Northern Ireland firms perceive upside risks, including the prospect of striking new trade deals with other foreign markets and potential loosening of regulatory requirements.

A strong majority - 84 per cent - also consider themselves to be reasonably familiar with approaches for dealing with business uncertainty.

Some 150 business professionals, academics, trade unionists and healthcare representatives gather at the invitation of the university's vice-chancellor later in the year to prioritise key issues with a view to presenting potential solutions. Among the actions that might be pursued are:

- Developing a regional migration policy for Northern Ireland;
- Developing a workforce development strategy;
- Need for focused social policy to encourage people into work and upskill those already employed.

In relation to the Border, a number of potential solutions were discussed. The reality, of course, is that this will be subject to political will.

The Brexit symposium also considered a range of issues specific to businesses. The following potential practical steps for policymakers and/or businesses were amongst those that arose from these discussions. To co-ordinate an all sector industry approach, businesses might:

- Seek to strengthen trading relationships with emerging economies;
- Work together to overcome fragmentation and build regional strengths.ulster.ac.uk/brexit/home

Dr Jodie Carson is senior economist at Ulster University's business department

Source: The Irish Times

12 January 2018

Coveney and Bradley to meet again after 'very good' talks on powersharing

Irish foreign minister Simon Coveney and Karen Bradley will meet again next week in the hope of making progress on the powersharing deadlock.

Mr Coveney, who flew into London from a visit to the Middle East to meet the newly appointed Northern Ireland Secretary, said the talks had been "very good" and he expected they were "going to work very well together".

The Irish deputy prime minister said there remained "significant challenges" but both governments wanted to find a way to resolve the stand-off.

He said: "Everybody knows that there are time constraints in terms of the work that we need to do but also I think everybody agrees that we want devolved government again in Northern Ireland."

The meeting came after a week where political relations in Northern Ireland were further strained, this time by controversies around the 1976 Kingsmill massacre in south Armagh.

Mr Coveney attacked the "really, really stupid and insensitive" actions of Sinn Fein MP Barry McElduff, who posted a social media video of him with a Kingsmill branded loaf on his head on the anniversary of an atrocity that saw republican paramilitaries shoot dead 10 Protestant workmen.

Mr McElduff, who apologised and insisted the video was not a reference to the massacre, was suspended by Sinn Fein for three months.

Unionists reacted angrily, both to the post and the extent of Sinn Fein's punishment, and the incident appeared to further reduce the already bleak prospects of a deal to restore powersharing.

The situation was exacerbated on Wednesday when a number of unionist politicians retweeted a graphic satirical cartoon that portrayed the Mr McElduff controversy by depicting the aftermath of the Kingsmill outrage, with blood running from a bullet-riddled van.

The incidents prompted the sole survivor of the Kingsmill shootings, Alan Black, to implore politicians on all sides to stop trying to "poke each other's eye out" and instead help the victims.

However, a week of political rancour and animosity appeared to end on a more optimistic note when two senior DUP and Sinn Fein members engaged in more conciliatory exchanges on BBC NI's The View on Thursday night.

In a forthright condemnation of the Kingsmill outrage, Sinn Fein's John O'Dowd, who lost three family members at the hands of loyalist paramilitaries the day before Kingsmill, said he was "ashamed" by the sectarian attack.

The DUP's Edwin Poots welcomed the remarks and said his party was determined to see devolution returned.

Mr Coveney said: "I think the unfortunate things that have happened in relation to Kingsmill this week and the absolutely understandable upset of families because of a really, really stupid and insensitive occurrence is a reminder of just how important legacy and reconciliation is.

"So, that's why I hope people will get some encouragement from the tone of the interaction between Edwin Poots and John O'Dowd last night, which I hope is the tone we can continue in."

Speaking after the meeting, Mr Coveney also told reporters that he did not believe there was any ambiguity in the agreement reached in December on the Northern Ireland border during Brexit negotiations.

He said : "I don't think there is any ambiguity in the context of an all-Ireland economy and the need to protect north-south cooperation in the context of the Good Friday Agreement."

Meeting Mr Coveney inside the NIO offices, Mrs Bradley said: "We have a shared objective - restoring devolved government to Northern Ireland as soon as possible."

She noted that she had now had discussions with all the main parties at Stormont and Mr Coveney.

"I look forward to reflecting on those conversations over the weekend to decide the way forward," she added.

Sinn Fein Stormont leader Michelle O'Neill said: "Sinn Fein is absolutely ready to engage in meaningful talks to resolve the issues and re-establish the powersharing institutions.

"I want to lead my party into a new Executive based on genuine partnership government and I want to do that sooner rather than later."

Source: The Belfast Telegraph