

# NEWS

## THE JOINT COUNCIL

The work of the Joint Council is supported by the International Fund for Ireland and by business through the secondment of senior executives to IBEC and CBI from Allied Irish Banks, Bank of Ireland and, more recently, from Northern Ireland Electricity.

For further information about the Council, companies should contact: Geoff MacEnroe or Danny Carey in IBEC, or William Poole or Hamil Graham in CBI (NI). Addresses and telephone numbers are listed on the back page.

## THE CHALLENGE OF PEACE

The permanent cessation of violence combined with a political settlement will provide the stability and confidence to fully develop the Northern Ireland economy. We are entering a new era, one which will require vision and must be built on co-operation and consent. However, we must look for new ways for the public and private sectors to work together until such times as new political structures are put in place.

Such was the challenge raised by Nigel Smyth, Director of CBI (NI), in his address to the Joint Council meeting last month. He went on to outline the main findings of a report produced recently by CBI (NI) on the impact of a permanent cessation of violence on the Northern Ireland economy. *Peace - A Challenging New Era* sets out the views of the business community on what needs to be done to ensure that there is accelerated economic growth and more employment opportunities as a result of the achievement of peace.

The report is directed at the British Government and, in addition to highlighting the key implications for the economy, it states that the public sector must work increasingly in partnership with the private sector if the opportunities and benefits of peace are to be fully exploited.

In particular, the report stresses the need to secure high-level commitment to re-directing public expenditure on security into wealth creation activities and measures.

The objectives of this reallocation of funding are to:

- immediately stimulate economic growth and social cohesion throughout the community in Northern Ireland;
- reverse the decline in the provision of infrastructure and level of service;
- accelerate the development of trade skills and provide extended employment opportunities for the long-term unemployed.

The report discusses the negative impact that the 25-year-long 'troubles' have had on the economy and employment levels in Northern Ireland. It considers that the impact of a

permanent cessation of violence will be profound and will be of considerable benefit to inward investment, tourism and the industrial base.

The report warns that the reduction in security expenditure will have to be managed in such a way as to increase the benefits of peace. It argues for more open consultation about the relative merits of competing priorities and for greater transparency in the establishment of priorities.

The reduction in security expenditure, including a sharp reduction in army personnel based in Northern Ireland (costs estimated at £1.3-1.6 billion), will lead to considerable employment losses. These will be spread across several sectors, including security-related activities, the construction sector, and suppliers to the security forces, as well as other areas of the economy affected by a reduction in the disposable incomes of security personnel.

According to CBI estimates, these losses in employment will be offset by the creation of 29,000 jobs together with 20,000 employment places by 1999. However, considerably higher levels of employment growth may be feasible.

Concluding his overview of the report, Mr Smyth said that the importance of maintaining the overall levels of public expenditure for the foreseeable future could not be overemphasised. "The CBI will be seeking assurances from the Secretary of State that savings on security measures are directed into wealth creation activities and to measures which tackle Northern Ireland's social problems," he said.

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# TRANSPORT, ENERGY AND BUSINESS DEVELOPMENT TOP COUNCIL AGENDA

The eighth meeting of the IBEC/CBI (NI) Joint Council was held in Dublin last month. The Council, which meets twice yearly, alternates venue between Dublin and Belfast. This latest meeting was chaired jointly by Tony O'Brien, IBEC President, and Doug Riley, Chairman of CBI (NI). It was attended by over 60 senior executives from among the Confederations' member companies, north and south of the Border.

The Council's agenda covered business development, transport and energy issues. The following points were raised:

## Business Development

The Joint Council endorsed the continuing work of the Business Development Programme which to date has involved 660 companies on the island. The Programme's principal objective is to break down barriers - real and perceived - to trade in the key areas of food, engineering, clothing, public sector, services and tourism.

## Transport

In order to make industry more competitive on and off the island, the Council agreed that improved road and rail networks are needed throughout the island, with particular emphasis on a road of at least dual carriageway standard from Larne to Rosslare and key east-west routes leading to the main north-south corridor.

While investment on the island is of primary importance, investment in road, rail and ports along the west coast of Great Britain must be given priority to

ensure ease of access to the major market places of Britain and Europe.

## Energy

While welcoming the recent announcement that the North-South Interconnector may be operating by next Easter, the Council believes that further integration on the island and with Great Britain is also

desirable. Other issues of mutual interest that have been identified include cost transparency and third party access to both electricity and gas networks. The Council believes that joint action in these areas would lead to a more competitive energy market on the island that would be of benefit to industry as well as to other consumers.



The IBEC/CBI (NI) Joint Council welcomed the President, Mary Robinson, to its bi-annual dinner last month. She is pictured here with (l-r) Mr Nick Robinson; John Dunne, IBEC Director General; Roy Bailie, Joint Chairman IBEC/CBI Steering Committee; Tony O'Brien, IBEC President; Doug Reily, Chairman, CBI (NI); Tom Jago, Joint Chairman, IBEC/CBI Steering Committee; Nigel Smyth, Director, CBI (NI); and John Kenna, IBEC/CBI Joint Council.

## BUSINESS DEVELOPMENT PROGRAMME

### Summary of Meetings March 1994 - October 1994

Small Firms	Dublin
Furniture	Belfast
Public Sector	Dublin
Payment/Cash Flow	Belfast
Innovation	Belfast
Food	Belfast
Healthcare	Newcastle
Small Firms	Belfast
Public Sector Buyer Workshop	Dublin

## NORTH-SOUTH 'MEET THE BUYER' WORKSHOP

A North-South 'Meet the Buyer' workshop took place at the offices of the ESB in Dublin in late October. The workshop was organised by the ESB in co-operation with the IBEC/CBI North-South Business Development Programme.

During the workshop, representatives from 40 companies in Northern Ireland visited Dublin to have one-to-

one meetings with senior buyers representing the ESB, Telecom Eireann, Aer Rianta, An Post, CIE and Bord Gais.

The purpose of the meeting was to bring buyers and suppliers together on a cross-Border basis and to provide suppliers of goods and services to the public sector with an opportunity to obtain the most up-to-date information on the

opportunities direct from buyers.

IBEC/CBI (NI) are planning a follow-up meeting in Belfast to enable suppliers from the Republic of Ireland to meet buyers in similar organisations in Northern Ireland.

For further information, please contact Geoff MacEnroe, Director, North-South Business Development Programme, (01) 6601011.

# BUILDING A CORRIDOR OF OPPORTUNITY

The IBEC/CBI (NI) Joint Council has appointed a Task Force, drawn from the Council's membership, to work on the development of an economic growth corridor between Belfast and Dublin. The move follows the publication of *A Corridor of Opportunity*, a feasibility study which the Council commissioned from consultants Coopers & Lybrand and Indecon last year. The study concludes that not only is the corridor feasible but it is essential to the overall development of economic linkages between North and South.

The Task Force will be chaired jointly by Terry Larkin and Len O'Hagan. It will review the report's conclusions and recommendations and pursue those activities which will have most impact in the medium term.

The report suggests that the existing obstacles to the development of a corridor - namely poor roads and linkages, limited interaction between the main urban centres, and specific barriers to company development - are surmountable and states that a corridor would stimulate industrial input over time. The development of specialist services, improved accessibility to markets, and improved competitiveness are among the potential benefits cited. The report also indicates that the corridor has significant strengths in the areas of sectoral clusters - eg food and drink, computers, electrical industries, clothing and textiles - and third level infrastructure, which not only produces highly skilled personnel but also includes major research facilities based in universities in Belfast and Dublin. The report states that the *corridor should not be developed at the expense of other parts of the island*, that it should build on existing strengths, and

complement cross-Border initiatives already under way.

## Recommendations

Its main recommendations for the development of a successful Belfast/Dublin corridor include:

- Completion of a high quality through road network to dual carriageway/motorway status by 1998, together with improved feeder links.
- Measures to increase telecommunications, improved business information, and media coverage.
- Measures to increase joint ventures between companies, with particular attention to the food/drink and engineering/electronic sectors.
- Establishment of university linked seed capital fund and development of university/education linkages.
- Greater co-operation in promoting trade in business, technical and other services along the corridor.
- A programme to improve the perceptions and identity of the corridor.

The report also recommends that the government agencies should co-operate in targeting and attracting selected companies to strengthen the

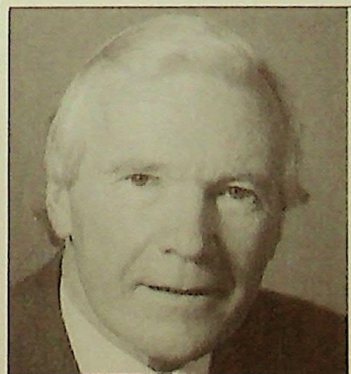
industrial clusters within the corridor, particularly in food and engineering.

Commenting on the report, Mr O'Hagan said that while several of its recommendations are already being addressed by the Joint Council, the study brings a new dimension to the Council's views on regional economic development. "It gives us clear indications of the benefits to be achieved from the development of a corridor. The resultant economic prosperity will greatly exceed the sum of the original separate parts and the potential for business growth will spread throughout the island," he said. Mr Larkin added that increased economic activity in an area comprising the island's two largest cities would give impetus to the Joint Council's Business Development Programme. "Experience suggests that there is considerable potential to develop business linkages with other areas on the island as a result of implementing the report's key recommendations," he said.

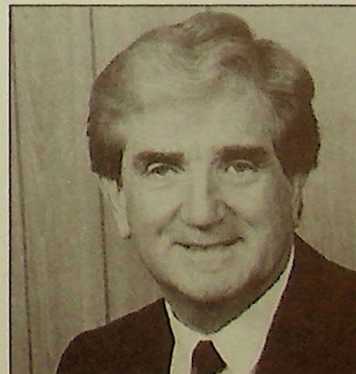
*A Corridor of Opportunity* was funded by the Irish/American Partnership, the International Fund for Ireland, and the European Commission.

## BELFAST/DUBLIN CORRIDOR TASK FORCE

### JOINT CHAIRMEN



Terry Larkin



Len O'Hagan

# NORTH-SOUTH TECHNICAL ASSISTANCE/CONSULTANCY DATABASE

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 Dublin 2  
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 Saintfield  
 Co Down BT25 7EU  
 N Ireland  
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A database to facilitate north-south technical assistance/consultancy has been produced as part of the North-South Business Development Programme.

Developed with financial assistance and guidance from An Bord Trachtala/The Irish Trade Board and LEDU, the local enterprise development unit for Northern Ireland, the database is designed to encourage further co-operation between companies, north and south, which are undertaking technical assistance and consultancy projects in developing countries. It is also envisaged that it will be used by government departments and agencies in developing countries who wish to identify sources of consultancy and technical assistance services on the island of Ireland.

The database was presented last month to Tom Kitt, Minister for Overseas Development, and to Tim Smith, Minister for the Economy and the Environment in Northern Ireland. Speaking at the launch, Geoff MacEnroe, Director of the IBEC/CBI North-South Business Development Programme, pointed out that exports of technical assistance services from the Republic of Ireland contribute more than US \$1bn annually to Irish exports. "The fact that the European Commission in Brussels actively encourages joint bids involving companies from the EU countries is another reason for promoting co-operation in this sector on a north-south basis," he said. "Co-operation with a company which already has a track record of working in developing countries is an excellent way for less experienced companies to improve their track record and so make

them eligible for larger contracts in the future."

The database includes profiles and contact details for 72 organisations located north

and south of the border. For further information, please contact Geoff MacEnroe on (01) 6601011 or William Poole (0238-511755).



Pictured at the launch of the North/South Technical Assistance/Consultancy Services Database were (l-r) Patrick Kehoe, Director, TDI; Derick Jones, Associate Director, Muir Associates International, William Poole, Director, IBEC/CBI North-South Business Development Programme, CBI (NI); Geoff MacEnroe, Director, IBEC/CBI North-South Business Development Programme, IBEC; Tom Kitt, TD, Minister for European Affairs and Overseas Development.

## INAUGURAL IRISH INNOVATION LECTURE

The Inaugural Irish Innovation Lecture at Parliament Buildings, Stormont, was delivered recently by US President Bill Clinton's top scientific adviser. Dr Mary Good, Chief Technological Adviser to the Clinton administration, addressed more than 200 leading businessmen and academics from the North and South.

The audience included Seamus Brennan, Minister for Commerce and Technology, and the Northern Minister for the

Economy, Tim Smith. The theme of the lecture was the partnership between Government, industry and academia to commercialise new technologies and provide the infrastructure to create quality jobs into the 21st century.

The lecture was hosted by IBEC/CBI (NI) Joint Council, with assistance from Forbairt, the Department of Enterprise and Employment in the South, and the IRTU and the Department of Economic Development in the North.



Dr Mary Good, Chief Technological Adviser to the Clinton Administration, recently delivered the Inaugural Irish Innovation Lecture at Parliament Buildings, Stormont. She is pictured here with Brian Callanan, IBEC Director; Doug Riley, Chairman CBI (NI); Tim Smith, Minister for the Economy and the Environment, NI; Seamus Brennan, Minister for Commerce and Technology, RoI; Sir George Quigley, Chairman, Ulster Bank.