

Opening Statement for meeting with the Joint Committee on the Implementation of the Good Friday Agreement, 28/09/'23.

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Thank you for this opportunity to address the Committee again. We were here earlier this year and it's good to see the Committee continue its work on this important matter.

Our last presentation focussed primarily on Ibec's for *Peace + Prosperity Campaign*. I'm delighted to report that it was one of our most successful campaigns. The feedback from our members and stakeholders has been really supportive and all of the events were well attended and with very positive engagement.

The overall purpose has certainly been accomplished of reminding the business community and other stakeholders of the importance for them of the stability and prosperity that the Agreement is underpinning across the island.

For the record we also took the campaign off island and held successful events in the Irish Embassies in Washington and London and our Ibec office in Brussels.

So you have asked us here today specifically to discuss economic opportunities and enterprise in the all island economy, Ibec's work on the Joint Business Council with CBI and the ESRI/NIESR macro-economic modelling project which is underway.

Let me take them in reverse order. Ibec and the ESRI are undertaking a joint research programme in collaboration with the National Institute for Economic and Social Research (NIESR) to provide additional insights, through the development of a macroeconomic model, on the economy of Northern Ireland, the all-island economy and links to the wider UK and beyond.

The research programme will combine the organisations' modelling expertise, existing research data bases and proven methodologies to develop a deeper understanding of the economy of Northern Ireland and its link to Ireland and the wider UK economy, working in three interrelated strands.

Firstly; to develop a macroeconomic model of Northern Ireland that links with the existing models of the Irish economy, the UK and the global economy to create a new analytical tool allowing for the analysis of economic linkages, policy measures and the transmission of economic shocks, both positive and negative.

Secondly; parallel to developing the model, to produce a series of papers on economic issues using the data gathered for model construction so as to present comparative analyses of the Northern Ireland and Irish economies along with all-island trade issues.

Finally; to organise workshops and conferences over the three years of the programme where the work will be presented and discussed.

The programme is overseen by a steering group drawn from the research area and its outputs will enhance understanding of the prospects and choices mutually re-enforcing economic progress.

At this point the detailed and technical work of building a macro economic model for Northern Ireland is well advanced and is due to be completed in 2024. We have also supported the publication by the ESRI of a ground breaking report on north/south trade and business post Brexit.

On Ibec's work with the CBI in our Joint Business Council we are currently very focussed on the future of energy and continue to be concerned about the on-going deficit in N/S connectivity that remains to be addressed.

On energy we note that there is an absence of joined up N/S conversations on all-island energy futures. This is despite the energy challenges we are all aware of and the fact that a Single Electricity Market keeps the island's lights on!

In addition, the climate action targets being set separately by both jurisdictions will struggle to be met without serious consideration of how our all-island energy future out to 2040 will help to ensure their delivery.

From its earliest work, infrastructure investment and improvement has been a major concern for the JBC. Regrettably that has not been fully delivered on. But there is another opportunity now in the availability of resources from the Shared Island Unit and the creation of a National Infrastructure Fund with ring fenced capital spending devoted to delivering the NDP and which must include projects that deliver this substantial N/S connectivity.

In terms of the wider challenge of economic opportunities and enterprise, we noted at our previous session with the Committee the question was asked why Northern Ireland is not benefiting more from spill-over effects from the spectacular success of the Irish economy? As was stated then, this is certainly a valid question.

But its equally valid to ask why more attention is not being paid to where this spill-over is evidently happening in order to accelerate the momentum that has been established?

For example CSO and NISRA agree that annual goods trade in the all-island economy is close to €10 bn in value. This is not a small sum and its benefiting both jurisdictions. The ESRI report highlights that the goods being moved are from both indigenous and FDI sectors and there is a significant component of local SMEs cross border business also being done.

This is growth is occurring under the part of the Windsor Framework that is working. And it is mutually beneficial. Looking to the future there is the opportunity to grow this all-island trade much further.

But to develop the full potential of the wider all island economy needs the support of more time and attention from policy makers. Areas such as energy and infrastructure have

already been mentioned but further developing the all-island labour market is also a really important issue for business.

Finally, how and where the Belfast/Good Friday Agreement across all its Strands could and should support this ambitious goal of a more prosperous and dynamic all island economy requires ongoing attention and debate.