

DÁIL ÉIREANN

AN COMHCHOISTE UM POIST, FIONTAIR AGUS NUÁLAÍOCHT

JOINT COMMITTEE ON JOBS, ENTERPRISE AND INNOVATION

Dé Máirt, 7 Iúil 2015

Tuesday, 7 July 2015

The Joint Committee met at 1.30 p.m.

MEMBERS PRESENT:

Deputy Dara Calleary,	Senator David Cullinane,
Deputy Seán Kyne,	Senator Michael Mullins,
Deputy Anthony Lawlor,	Senator Feargal Quinn,
Deputy John Lyons,	Senator Mary M. White.
Deputy Peadar Tóibín,	

In attendance: Deputy Peter Fitzpatrick.

DEPUTY MARCELLA CORCORAN KENNEDY IN THE CHAIR.

The joint committee met in private session until 2.05 p.m.

Scrutiny of EU Legislative Proposals

Chairman: The committee will now engage in the scrutiny of EU proposals. There is one schedule A proposal and seven schedule B proposals for decision. Schedule A, COM (2015) 38 is a proposal for a Council regulation on the suspension of customs duties applicable to imports of certain heavy oils and other similar products. It is proposed that this proposal does not warrant further scrutiny. Is that agreed? Agreed. It is proposed that the proposals listed in schedule B do not warrant further scrutiny: COM (2015) 154; COM (2015) 155; COM (2015) 157; COM (2015) 172; COM (2015) 201; COM (2015) 202; and COM (2015) 220. It is proposed that those proposals do not warrant further scrutiny. Is that agreed? Agreed.

All-Island Economy: Discussion (Resumed)

Chairman: The meeting will now be suspended for a few minutes to allow our guests to take their seats. When we resume, we will resume in public session. Is that agreed? Agreed.

Sitting suspended at 2.10 p.m. and resumed at 2.11 p.m.

Chairman: I remind members and those in the Visitors Gallery to please ensure that their mobile telephones are switched off for the duration of the meeting as they interfere with the broadcasting equipment, even when in silent mode.

I welcome Mr. Paddy Malone, public relations officer, PRO, of Dundalk Chamber of Commerce, Mr. Jim Boylan, president of Warrenpoint Chamber of Commerce; Mr. Denis Brady, committee member of Warrenpoint Chamber of Commerce, and Mr. Ian Talbot, chief executive officer, CEO, of Chambers Ireland, to the meeting to discuss the all-island economy with a view to generating recommendations on how to enhance economic co-operation and alignment across the island of Ireland.

I draw the witnesses' attention to the fact that by virtue of section 17(2)(l) of the Defamation Act 2009, witnesses are protected by absolute privilege in respect of their evidence to the committee. However, if they are directed by the committee to cease giving evidence on a particular matter and they continue to do so, they are entitled thereafter only to a qualified privilege in respect of their evidence. They are directed that only evidence connected with the subject matter of these proceedings is to be given and they are asked to respect the parliamentary practice to the effect that, where possible, they should not criticise or make charges against any person, persons or entity by name or in such a way as to make him, her or it identifiable. Members are reminded of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person outside the House or an official either by name or in such a way as to make him or her identifiable.

I remind our guests that their presentation should be no more than five minutes in duration. The version of the presentation submitted has already been circulated to members. I invite Mr. Malone to make the presentation.

Mr. Paddy Malone: I thank members for this opportunity to address the committee. The

representatives from Newry Chamber of Commerce send their apologies. A planning application is going through at present and, as a result, they were not in a position to attend.

I have been involved with cross-Border matters since 1979. The chambers and the local authorities, Newry, Mourne and Down District Council and Louth County Council, have been working together in various ways in recent years. The Border has created a divided area, with no regard for physical or cultural references, and it has had a devastatingly negative impact since 1920. Newry Chamber of Commerce specifically asked me to raise its concerns that the situation will be exacerbated if the referendum in the UK results in the UK leaving the EU. Two currencies, two bodies of law and two structures have inhibited growth and encouraged the black economy. The McArdle report, commissioned by the two local authorities and the two chambers, Newry and Dundalk, showed that Dundalk is the poorest of the southern Border towns and that Newry is the third worst off in the North. The gateway hubs report, which was published by the Department of the Environment, Community and Local Government in May 2013 - a copy of which I have with me - places Dundalk last on the list of gateway towns.

Government actions, be they taken in Dublin, Stormont or Whitehall, have had little regard for the area in the context of the consideration of fiscal or regional matters. The setting of VAT or excise rates is done independently, with no thought as to the consequences. It is probably true to say currency movement plays a greater part but none the less where policymakers can have an influence they should. Retail is a major employer in the area and is an economic engine that cannot plan long term in either jurisdiction because it does not know what way the rates will move. In competition between Newry, Warrenpoint and Dundalk, the rates and other retail costs are significantly higher in the South. An example of this lack of planning is that Ireland's Ancient East was launched a month ago, on the same day that Louth Chamber of Commerce held a conference on battlefield tourism. The Fáilte Ireland advertisement stated this starts in Drogheda and ends in Cork, ignoring the land of Cú Chulainn, Fionn MacCool and the Táin trail. It is incredible that it could ignore such a large area.

Dundalk's unemployment rate is above the national average and has remained so consistently; it is normally approximately 25%. The loss of our four pillars, namely, engineering, shoes, tobacco and brewing, in the 1950s and 1960s has not been made up. The proposed reduction in corporation tax in the North will leave Dundalk at a further disadvantage if foreign direct investment, FDI, businesses want to move into the area. We have shown that we can produce world leaders in Naughton, McCann, Goodman and Haughey, who is probably not well known to the committee but he set up Norbrook in Newry. While all four are from Dundalk, two are established businesses in the North.

There have been various studies on this area which have concluded that the sum of the area is less than the whole. In other words, the area has significant potential for growth in the area but it has not been developed. The Bradley report, Queen's University Belfast, 2012, indicated three aspects to develop a cross-Border area: the deprivation should create a need; the population of the area should be significantly large to sustain a gateway and the infrastructure, physical and administrative, needs to be in place. Only the Dundalk area along the Border meets those three criteria. Its other advantages are that the education facilities are in place and the tourism potential is enormous, and anyone who has ever visited Cooley will understand that. This area can act as a gateway from and counterweight to the growing Dublin-Belfast sprawl.

The chamber has made numerous efforts. I will not go through individual items. When Louth, Newry and Mourne signed their memorandum of understanding it was hailed in Europe as an example of how two local authorities in different jurisdictions should work and the cham-

bers have signed up to it as well. The local authorities have been given enhanced economic responsibilities, North and South, in the past 12 months. It makes sense that closer collaboration in this area be developed. Dundalk is the sixth largest urban centre in the country and should be included in the Living City initiative, for the reasons I have mentioned.

The area needs to be marketed as a whole. Fáilte Ireland and the Northern Ireland Tourist Board neglect the area, the land of Carlingford Lough and all that surrounds it. It could be linked to the Boyne Valley to the south and the Titanic Quarter in the North. Dundalk and the Carlingford region, including Newry and Warrenpoint, is less than 90 km from the major population centres. We have a reach of 2.5 million people on the island within a 60-minute drive. No other part of the island comes remotely close to that figure because we include all of Dublin and all of Belfast.

In conclusion, we recommend an economic zone that would give enhanced capital allowances; that is a timing issue only, not a loss to the State. Dundalk should be included in the Living City initiative. The Gullion-Cooley area should be marketed properly. There should be recognition in each other's jurisdiction of the business expansion scheme, BES, and other incentives. At the moment Southerners cannot invest in Northern companies or Northerners in Southern companies. The specific industries I have outlined should be targeted, including hospitality and geo-finance and, in particular, pharmaceuticals. The Industrial Development Authority, IDA, has a major site, at Mullagharlin, which has been lying vacant for over ten years. These are specific measures we want within a certain time. We do not want it open-ended. We want it for long enough that planners and businesses can get to it. We want further co-operation with United Kingdom, UK, employment initiatives, and encouragement of cross-Border movement of capital and employment. There are still problems in that area, although they mainly arise on the Northern side. Policies should be designed to avoid displacement. We are not looking for a pharmaceutical plant to move from Cork. We want new business coming in, not a displacement from elsewhere on the island of Ireland. The Louth-Newry-Mourne memorandum of understanding should be extended in so far as that can be done. Facilities and supports such as hospitals should be shared. Daisy Hill Hospital in Newry is crying out for an enhanced upgrade, while Louth County Hospital in Dundalk is being downgraded. Improved access to the greater Down area where there are major problems with road infrastructure is also recommended. I will not specify particular roads because my colleagues in Newry and Warrenpoint might disagree with me. When they speak later, they can explain the position. This unique area has the capacity to grow significantly, but it needs a kickstart. Once it is kickstarted, it has the potential to stand on its own two feet.

Deputy Dara Calleary: I welcome the delegation. Are we to have an input from Warrenpoint or is its shopping list different?

Chairman: I have only one person listed to make a presentation, but if there is another-----

Mr. Jim Boylan: Our shopping list is the same as that of Dundalk and Newry. We have formed a good alliance and have a good working relationship. We would like to emphasise how bad the position is in north County Louth and the Carlingford Lough area. Money needs to be invested in this hidden gem of a place which could be Ireland's leading tourism attraction if the proper infrastructure were put in place, but this would need the co-operation of the Governments on both sides of the Border.

Mr. Ian Talbot: I would like to add a general view from other chambers on both sides of the Border but particularly the north west.

Infrastructure is a key need. Mr. Malone has mentioned roads, without naming particular ones. For people travelling to the north west, the A5-N2 is a nightmare. This is impeding growth in the area. It is important to keep developing infrastructure.

Another piece of infrastructure is the electricity grid. Work on the North-South interconnector is under way, but we need to ensure it will happen as a priority. A safe, reliable and secure power supply is vital for economic growth in the area.

Another point I should mention concerns the potential of the regional action plan for jobs that is being rolled out. The jobs to be rolled out in Border areas could inform debate on both sides of the Border. We should try to develop the clusters about which we talked, rather than our side of the equation only. We must also tackle the black economy. We continue to hear, particularly in the case of alcohol, that with increasing duties and taxes, alcohol smuggling is on the increase. This represents a significant loss to the Exchequer and has other implications for the economy.

My final point concerns the implications of a Brexit. We know that the Government is taking a proactive view and that a sub-group has been established in the Department of the Taoiseach. The Brexit conversations will create a degree of uncertainty. It is an important issue for us and we hope it is addressed in a reasonably discreet fashion from a time perspective. We can deal with it, but it will have an impact in this area.

Deputy Dara Calleary: The delegates live in a special and beautiful part of the country, but were there negotiations or consultations with them on Ireland's Ancient East? Dundalk Institute of Technology is a strong institution, particularly in the area of renewables. It was pushing the boat out long before anybody started to talk about them. No reference is made to this issue in the presentation. How many graduate from the institute each year and how many of them are retained within the Dundalk catchment area? Would it be worth looking at putting a support programme in place to encourage the retention of some of the graduates who are engaged in cutting edge work? Would it be worth putting a package in place to support them to stay in the area and establish businesses?

How much is the black economy costing the chambers' members on both sides of the Border every year? The general trend in presentations is to say the enforcement measures are very weak and not what they should be. What is the business community doing to highlight the impact of the black economy and the danger it poses in the produce people are buying? We need to highlight the fact that people in the community may be promoting this as a way of doing business.

I wish to raise two points in regard to the Living City initiative. Could Mr. Malone clarify if the Living City initiative is a Dundalk initiative? Mr. Ian Talbot mentioned that consultations are underway on the action plan for jobs. Is Mr. Malone aware whether Warrenpoint or Newry were consulted, whether they offered a position on the action plan for jobs or got involved in the consultations that are under way?

Mr. Paddy Malone: I apologise for going back on this, but let me clarify that this is taken from the Department of the Environment, Community and Local Government report of May 2013. The average rating is 5, so that if one reaches 5 one is on the average score for the gateways. If one is rated below 5 one is in trouble. Our score is the lowest of all. The score is arrived at by adding up the eight and dividing by eight, which means that weighting is not given to any one aspect over another. The only heading under which we scored significantly higher than

anything else is under the heading “natural-physical”. I do not wish to be crude but the reason we scored highly under this heading is that Diageo built a sewage treatment plant in Dundalk. Members can see we have scored highly only in this area, and otherwise we are not doing well.

Deputy Calleary made a good point in regard to graduates. One of the action plans of the Louth Economic Forum, which Senator White’s husband chairs and of which I am a member, is on clustering. Kingspan Glen Dimplex and other companies in the region within the Louth Economic Forum are actively working on that area. Two of the biggest players in the world are collaborating and working on it.

There would not be a week or a month without somebody referring to buying booze overseas or the Dundalk Chamber of Commerce making a statement on it. All we can do is to keep sending out the same message. We encourage the Garda Síochána to keep up security. However, it is difficult to police the area, in particular because of the motorway. Senator Quinn will remember travelling from Warrenpoint to Dundalk and going through three or four checkpoints. Now with the motorway, one does not stop.

Diesel and fuel were the major black economy commodities. I was critical of the Government when it said that a new dye would solve all the problems. I told the Minister that the ingenuity of those in south Armagh had yet to be beaten. My understanding is that they have been beaten at present and they have not been able to crack it. That is very positive. I would agree with Mr. Talbot that we still have a serious problem with alcohol. As a parent I have witnessed that on more than one occasion because of the prevalence of cheap booze.

We have the pharmaceutical and other industries in mind for Dundalk. The reason we target the pharma industry is because of the significant amount of money that has been spent already on a huge IDA site. This imposing site, which is on the left hand side as one drives out of Dundalk and has light posts sticking out of the ground in the middle of fields, has been vacant but unfortunately that represents something that did not happen.

We met EirGrid recently to discuss the need for the North-South interconnector, the question of the north east and the development of the electricity supply. I mentioned the pharma plant to it but it did not know that the IDA’s next pharma plant would be located in the region. They would not answer the question on whether there would be enough energy for it but from the messages that I got, there was a question mark over it. The IDA has spent a fortune building a site that has been derelict for nearly ten years. Now we find out that we do not have the power to meet its requirements.

Have I addressed everything?

Chairman: The action plan for jobs.

Mr. Paddy Malone: The chambers along the Border met the Minister on various occasions but as far as I know we did not involve the Northern chambers.

Deputy Peadar Tóibín: Go raibh maith agat. I am delighted that the witnesses are present. I am the rapporteur for the very important report on the all-Ireland economy. It is very interesting to hear the information from the witnesses. The background to this issue, which people do not necessarily realise, is the level of economic deprivation, displacement and emigration that exists in rural and urban communities along the Border and the effect the Border has on the creation of those difficulties. It is one of those big problems which is within our grasp, as elected representatives, to resolve. The majority of people who have come before this commit-

tee to speak on this issue have articulated the same views as the witnesses. I hope I do not get it wrong but to paraphrase it, the necessary attention to resolve this particular problem has not existed. Indeed, Professor Bradley stated that what currently passes for cross-Border co-operation in this country is an absolute joke. It has slipped massively down the radar of priorities of the Government and that is a challenge for us.

Would the witnesses say the equalisation of things such as taxes and excises would play a stronger role than other measures in ensuring the incentive for the black economy starts to reduce? My second question concerns Retail Excellence Ireland and the Northern Ireland Independent Retail Trade Association, NIIRTA, the Northern counterpart, which recently carried out a great report on the all-Ireland economy. One of the specific points mentioned in the report concerned tourism shopping. It said there was a potential €750 million opportunity, North and South, if there was a focus on the issue. They suggested the establishment of an all-Ireland retail forum to work together on it. Do the witnesses share this view? The Minister for Jobs, Enterprise and Innovation currently sees no reason for such an approach.

The memorandum of understanding is fantastic and the fact it has been pioneered by the witnesses is brilliant. I am amazed it has not been replicated across other areas of the Border although Monaghan is looking at it at the moment. Can we get more detail on the memorandum of understanding? Are employed individuals joint employees or seconded individuals, North and South? Is funding made available to work it? Is there closer planning or is planning carried out together? I would appreciate a better understanding of how that should work.

It strikes me that there is a major traffic problem when travelling from Dundalk to Sligo. Mr. Malone has spoken on this issue before and has said a person would be better off travelling down to Kells and onto the M3 to get there. We have major difficulties in getting to two significant Irish towns as well as across that area in general.

The issue of a Border economic zone has been coming up in discussions. Some people favour proceeding with it along the whole length of the Border. Others favour a small geographic region clustered around, as stated by the witnesses, an institute of technology, perhaps, and different infrastructural strengths. What would be the inputs into it and what type of environment would exist within it?

If looking to invest in a Northern business or a Northern business is looking to invest down South, what is capital mobility like? What is the current situation with labour mobility? What is the experience with banks and telecommunications? Given the Border is currently stuffed economically and we are in the EU together, would Brexit add a serious economic challenge? Would it create poverty along the Border? What would be the likelihood for the struggling economy in that area if Brexit were to happen?

Mr. Paddy Malone: What is Brexit?

Deputy Peadar Tóibín: It is the British exit from the EU.

Mr. Paddy Malone: My apologies. That is another new term for me. I will deal with the Brexit issue first. I am old enough to remember when a person's tyres were marked when crossing the Border so that he or she did not buy new tyres in the North, where they were cheaper. On occasion customs would dip a person's petrol tank to check how much petrol was in the vehicle, take an odometer reading and work out whether petrol had been bought when across the Border. There were long queues of traffic waiting to get clearance before entering Northern

Ireland. It was such that it came back into Dundalk, three miles away, and it took between two and two and a half hours to cross. It would cut out using Larne for a considerable number of exporting businesses in the region, including Baileys' suppliers in Kingscourt, County Cavan. Instead of sending goods through Larne or Warrenpoint, they would have to be sent through Dublin Port, which is already overcrowded. That is the business side of the issue.

Problems would also arise in exchange controls and the movement of capital, which could become an absolute nightmare. Nothing works when it is broken in half. In 1920 Dundalk was booming and probably the only industrial town in the South, with the exception of Dublin and Cork. However, it went into decline because it was separated from its natural hinterland. If this were to happen again, it would cause crippling damage not only in Dundalk but also in Newry, as a considerable number of businesses in Newry rely on Dundalk sub-suppliers and *vice versa*. Anything that impedes business or the mobility of capital constitutes a serious blow.

The question of taxes is also relevant to business. Standardisation of VAT rates would bring huge benefits, while the standardisation of our currencies would be even more beneficial. Currency fluctuations can cause greater differences than changes in VAT rates. Changes in VAT rates are perceived as dramatic because people see a movement of 1% or 2% and the newspapers give the subject huge publicity. However, a movement of 5% between sterling and the euro is hardly noticed. Stability is the most important consideration. If one travels around Jonesborough and Cullaville, or through south Armagh into Newry and Down, one will see a succession of filling stations built in the past 15 years but which are now derelict. On the southern side one will see brand new filling stations with busy delis. All we need is a change of Government in the United Kingdom and the situation would be reversed. This boom-and-bust cycle will not generate growth in the long term, but we will be fine if we can achieve stability in taxes and everything else.

The N53 is the road between Dublin and Castleblaney, while the N54 crosses the Border. If I drive from Dundalk to Sligo or Roscommon, as I recently did to attend the BMW assembly, I have to travel south to Kells before turning north again because the drive through Kingscourt and Cavan is a nightmare I would not contemplate in any circumstance. The infrastructure around Dundalk is adequate if one is travelling north or south, but one is in trouble if one is travelling west. Our colleagues from Warrenpoint had to contend with a train that was delayed and a bus that was full. They were in a sweat when they arrived here, which is why they are so quiet. While the infrastructure has improved significantly, Warrenpoint should only be a 50-minute drive from Dublin.

On the memorandum of understanding signed by the two councils, credit is due to the former Louth county manager, Mr. Conn Murray, who had the foresight to encourage all of the institutions which might be relevant to sign up to the memorandum, including the chambers of commerce, IDA Ireland and various businesses. We have become very conscious of including the North in our planning. Deputy Dara Calleary referred to Dundalk Institute of Technology, DKIT, which faces a serious problem in enrolling graduates from Northern Ireland because the CAO does not give sufficient recognition to A level students. A student with A1 grades is considered to have achieved a remarkable result, but it translates into 450 points for the CAO, which is not even sufficient to gain entry to an accountancy course in UCD. Something is radically wrong if that is the case. Three years ago DKIT indicated to the CAO that it planned to introduce its own streaming mechanism in recruiting students. However, the CAO indicated that if it did so, the CAO would remove it from the application process. Ministers have been made aware of it. Deputy Tóibín's party leader has spoken about it. I have heard it being spo-

ken about on numerous occasions; I have not seen anything done about it.

The MOU was created by them. It is primarily on co-operation between the two organisations in terms of emergency planning and in other areas, including environmental controls. It has encouraged further development. For example the LEO in Dundalk and the equivalent training authority in the North are working on a programme for arts graduates who cannot get jobs, to retrain them or enhance their knowledge by giving them some technical skills by using the DkIT and the Southern Education and Library Board. When I am talking about Newry I find it very difficult to think of the Southern Education and Library Board.

Mr. Jim Boylan: That is going.

Mr. Paddy Malone: There has been collaboration between them involving third level institutions. That is a very good example of the Louth economic forum and the councils using the memorandum of understanding to deliver. However, I have not seen any step-up on that in the past 12 months since the election of the new councils in the South and the creation of the new super-councils in the North. With the exception of that one issue I have not seen an economic driver coming up. If I were to be critical, I would say it has been a great first start, but we need further action on it and we need to drive it further forward.

In terms of structures, there is an office in the Newry and Mourne District Council which is for the co-ordinator, who happens to be from Dundalk. He spends two days a week working in his office in Dundalk and another two days in Newry, and his location on the fifth day depends on what is required. There is backing up at assistant director level within the councils. There was a change in personnel last year - there were many retirements, a new county manager and the new chief executive in the North. Those changes will take time to bed down. It would be harsh of me to say it has not moved in the past four or five months. I hope it will be of more significance in the next five months and we will have all signed up to it.

When we see the LEOs talking about the North and the Northern guys down here, we realise this is beginning to work hand in glove. When Chambers Ireland responded to Deputy Tóibín's invitation and I came to meet him, my first reaction was to ring my colleagues in Newry and Warrenpoint. Five years ago that would not have happened. We got on well with each other and we would have had social outings together, but we would not actually have met. Five years ago the only social outing we had was when we used to hire a tall ship - I believe Senator White has been on it. We would have had social functions sailing tall ships down Carlingford Lough, which was fine but that was all we did. We are beginning to think in terms of an area and we are beginning to develop the area, which is important.

On the definition of the area, it does not have to be a physical area. It could be a specific area, but I would regard it as being anywhere within the catchment area of the two local authority areas of Dundalk North and Dundalk South, and the equivalents in Newry and Armagh. We must not forget that Armagh is a separate one.

Within those areas it would be possible to decide that specific businesses or industries would get the reliefs. It should be specific and targeted and not a general one. I am not talking about something like Shannon. We need to target the industries because we need to get value for money and crucially because we do not want to have displacement. If there is displacement, it does not serve anybody's purpose. If I am robbing one area to put it into Dundalk, that will not work for all-Ireland purposes and I would not expect the committee to support it or allow it to happen. We are specifically talking about new places.

We would target using the IDA Ireland and Enterprise Ireland skills base and using the Northern Ireland equivalent to identify the industries that could be attracted. It could be pharmaceuticals in the South and financial services in Newry and Warrenpoint where there has been huge success in that area. It could be in the area of transport, particularly as Warrenpoint Port is one of the finest ports on the east coast. My friends from Warrenpoint are always telling me that it is the best port on the east coast. It is, therefore, possible to target specific things. On one occasion I used an expression which someone told me was inappropriate when speaking about the Border. However, I will repeat it now - I want to take a rifle to the problem, not a shotgun. In other words, I want to hit the specific target I want to hit and nothing else.

I have argued in favour of mobility for some time. I am an accountant by profession. I run my own practice in Dundalk and I have clients on both sides of the Border. On a couple of occasions they have been approached by people who want to invest in a particular business expansion scheme, BES. I still use the old jargon. My response has been to state that I know somebody in, for example, Newry who understands the business in question and whose involvement - if it could be encouraged - would be a plus. The people to whom I refer cannot invest in such schemes - they can but they will not receive any tax relief if they do. When we were establishing BES schemes, we copied the UK legislation almost word for word. Hence, there is no reason a person in Dundalk could not invest in a company in Newry or *vice versa*. If one wants mobility of capital, such investment is what one should encourage. One cannot put constraints in place. If there are incentives to invest in one direction only, that represents an impediment in terms of the overall definition as far as I am concerned.

On employment taxes, etc., I compliment the Irish revenue authorities in respect of the way they have approached the Belfast Agreement. They implemented it, although not completely. There are some kinks in the resulting structure but it is not bad. However, the Northern Ireland authorities have not shown any great sign of a willingness to implement an equivalent. Consequently, a southerner working in the North will find matters to be okay but a northerner working in the South will be heavily taxed. For that reason, the number of northerners coming to work in the South is significantly lower than the number of southerners going in the opposite direction. The only reason people are not flooding into the North to work is that, even allowing for the different tax rates, wage rates there are significantly lower. People's take-home pay in the South is better than that of their counterparts in the North. That is one of the other reasons I am highlighting the issue of the corporation tax rate. It is interesting that at a meeting in Coleraine some ten years ago, Mr. Owen Paterson, MP, of the Conservative Party proposed setting the rate for Northern Ireland at 12.5%. I was in attendance at that meeting and I congratulated him afterward on uniting the DUP, the UUP, the SDLP, the ICTU and the Confederation of British Industry. All of those bodies said "No" to the proposal he put forward that day. They, and many others, are all in favour of changing the rate now. Many who live in my area are concerned in this regard because the 12.5% rate is our trump card. If we do not have that as a unique selling point, we will be obliged to consider what else we have to offer. If our other cost bases in the South are out of alignment with Newry and Warrenpoint, we will have a problem because displacement will occur.

Senator Feargal Quinn: This is an extremely interesting discussion and it brings me back to the days when I started out in business in Dundalk way back in 1960. My father came from Newry and my grandfather was from Atticall, which is outside Newcastle, so I know the area well. One of the quick - I will not say easy - solutions to developing business is tourism. Would it be possible to choose a name for the entire area and, if so, one that would make it better known than it is at present? Perhaps our guests will indicate what went wrong with the project to put

the bridge in place. The concept behind the bridge was certainly one which brought together those on both sides. My father's business was a holiday camp in Skerries and the guests who came to visit used to travel up to Warrenpoint. They would go to Omeath and then travel across to Warrenpoint on the boat. There is so much potential for tourism in the area. The great thing when it comes to tourism is that there are immediate benefits. I have a friend who visited Tayto Park near Ashbourne at the weekend and she could not get over the number of Irish people and tourists who were in the place. Tayto Park has proven to be successful in a short time but I accept that some additional developments have occurred there in recent times. If we are going to make sure that area succeeds, from Warrenpoint, through Rostrevor to Newcastle, and tie it up with Omeath and Carlingford, where there are so many attractions, what can be done and what are the hindrances to getting together to ensure that area works as one unit?

Mr. Jim Boylan: The Senator is saying what we want to hear because that whole area is a hidden gem waiting for tourism. Deputy Tóibín spoke about poverty and there is poverty along that Carlingford Lough area because the infrastructure is not in place. We know there is a hotel earmarked for Omeath and one for Warrenpoint which will open if that road link is made. That link is needed because we need tourism and other business on an all-island model. It is more than 20 years since the Good Friday Agreement and it is not happening. Carlingford Lough is being left behind. That is where the infrastructure needs to go in. We in Warrenpoint, Newry and Dundalk meet regularly to come up with a new idea. The Senator is right that there needs to be a brand name for the whole area, like the Wild Atlantic Way.

To reply to the last question about the memorandum of understanding, I signed it, with Mr. Malone, on behalf of Warrenpoint. It is doing a lot of good work. It is unique in the European context but we do not have its physical manifestation, a link at Narrow Water or elsewhere, that would give the impetus to kick-start the tourism industry. That is badly needed. One change I would like to see in the memorandum of understanding is that it seems to be led by the two local authorities. It would be better, if it was possible, to set up a committee that was not just made up of politicians but of business people from both areas and people from the health sector. That is probably the impetus that is needed.

Britain's exit from Europe would be a major step back. We would be almost stepping back into the Stone Age. I cannot see it happening. There is poverty there. We feel that the region of Louth, south Armagh and Down is being left behind. As Mr. Malone says, that is why there needs to be a major development in the whole area, industry, tourism, schools and health. In Warrenpoint we have ideal access to emergency services that could go the whole way down to Carlingford and *vice versa*. It does not make sense to keep a Border mindset. We have to step above that. We are two jurisdictions, governed differently, but that can still happen if our mindset is an all-island mindset. That needs to happen.

Deputy Anthony Lawlor: I am delighted with the way Mr. Boylan spoke about Brexit. It is a concern for all of us, not just in the Border area but nationally. We can see how serious it is when we have people in the Department working to ensure we do what we can, from the point of view of the Irish diaspora in the United Kingdom, to ensure something like this does not happen because of the negative impact it would have.

Many of those in the Border area would love to keep the Border in place and one of the reasons for that is the smuggling. Irrespective of what some people might say, smuggling is still going on. Mention was made of smuggling of cigarettes, alcohol and diesel to some extent. There are people along the Border whose criminal activities are politically motivated. That remains the case and they would like to retain the Border.

In regard to tourism, the only time I have visited that neck of the woods was to visit Newgrange. Are there any historical perspectives that can be linked to tourism in the area? Recently, in Dublin I saw what looks like a camouflaged Army bus going around covering the 1916 trail. Perhaps something like that could be done for the Boyne area. In America, they have a Civil War trail. Highlighting historical areas like this is one way to increase tourism. We are changing our attitudes so perhaps we could look at doing something like this. Our green, white and orange flag is based around the two cultures, the Nationalist and the Orange, with the white colour representing peace between them. Perhaps we could develop something that would link the two cultures because what we are dealing with now arose from the situation between them.

I am disappointed that the witnesses did not mention a particular factor. When I became a Deputy, I saw people from my area, Naas, and the surrounding area drive up the motorway to shop in Newry. Now I see the reverse happening. I was in a hotel in Naas a couple of weeks ago and heard that it has changed its marketing strategy to go after people in the North. The currency is the driving factor in this regard. This is the most significant factor in regard to why people travel from one side of the Border to the other and why the trade moves from one side to the other. If the pound was worth 91 or 95 cent, as it was when I was elected, traders in the North would be jumping with joy because people would be crossing the Border to shop in Newry. Now that the situation is reversed, there is more trade coming south. This is a significant issue.

Can anything be done in this regard? We are not going to get the United Kingdom to join the euro and we will not go back to the pound, but could something be done to provide a comfort zone for each side, particularly for the retail sector, so that this will not be a significant issue for it in the future? I expect traders on the north side of the Border are up in arms now because the currency difference operates against them currently in comparison with what is happening here.

Mr. Denis Brady: The Deputy has made a very good point. The currency factor has always been a reason as to why there has been a North-South agenda in regard to where people shop. Newry is suffering dreadfully, as are we in Warrenpoint. We see ourselves as more of a tourist area, but we do not have the tourism. Both Mr. Boylan and I are from the Warrenpoint chamber, the smallest chamber. The Newry chamber members were not able to attend today. We felt badly let down when we did not get the Narrow Water bridge, mentioned by Senator Quinn. That was a huge disappointment to us in Warrenpoint.

From the tourism point of view, the whole Carlingford region, north and south, is huge. When people who have not visited our area see the region, they say, "My goodness, look what you have got here". However, what have we been able to do about it? We have not done enough because we have not tried to. The North-South tourism agenda is what we want to drive forward as an initiative. Let us forget about the fiscal problems because they will always be there. As Mr. Malone said, if corporation tax is reduced, that will be a big issue that may not help us all go forward.

Again, it is a bit like the shopping. The gem is tourism. We do not have the beds to accommodate tourists at present but we could have them. In Omeath, a man from Newry has a hotel with approval for 40 plus beds. In Warrenpoint we have a small hotelier who has approval for additional beds but we need something structurally sensible from the North-South viewpoint. That is hard to achieve but with the co-operation of the chambers in Newry, Warrenpoint and Dundalk on this new initiative we are determined to flag everything that is good and go forward with a much more positive attitude. It does not help to think about the weak euro against the strong sterling but if one goes to Kilbroney Park in Rostrevor, County Down, on a Saturday or

Sunday or any day of the week, one will see cars from the South and not just from the Border areas. Many people are coming to the North but we do not have the beds in our area. Tourism in Northern Ireland is from the north coast, the Fermanagh lakes and the *Titanic* centre. They take them up from Dublin to the *Titanic* centre and they drive through Newry and bypass us all the time. We need to get that highlighted, which is what this new initiative is all about, and we have to drive it very hard. Following the failure to deliver the narrow water bridge for €26 million, that project is off the agenda now. It is much more about an infrastructure that embraces not just a bridge and a link but a great deal more. We are determined to flag that.

Deputy Anthony Lawlor: County Kildare has the two major motorways but the tourists go through the county to go somewhere else. We are working hard to suck them in by a variety of initiatives, whether around racing, the national stud or other attractions. We do not have the battlefield sites although the battle of 1798 did start in the village of Johnstown.

Senator Mary M. White: Through the Chair, the fen in County Kildare is a significant feature and I do not know why the people of Kildare do not make more of it. I would like to know what Deputy Lawlor has to say about that.

Deputy Anthony Lawlor: We also have to look at alternative ways to drag people in. I have always believed there are people going by on your doorstep and if one cannot pull them in there is something wrong. That is my view.

Senator Mary M. White: I welcome the witnesses from both sides of the Border. I was born in Dundalk and had to leave it when I was about seven or eight. I never recovered from leaving it. I attended the conference on geotourism in Carlingford two weeks ago. It was fascinating.

There was a gentleman at the conference who had set up a housing village on the northern side and he was looking forward to getting the big cruisers that go into Belfast to come down to Warrenpoint and bring the tourists down into the Mourne-Cooley-Slieve Gullion area. I would like to hear more about the geotourism. It is not dissimilar to the point I made to Deputy Lawlor. The young people have an interest in the geology and archeology of the area. When we moved from Dundalk to Newbridge, County Kildare, there was very little known about why the Curragh had short grass or why they do not make more of the fen, which is unique.

I ask Mr. Malone to tell us more about the potential for tourism. To me the potential of tourism is related to the geology. When I was young, my grandmother used to bring me to visit people in the county home on a Saturday and to do voluntary work. Ms Carroll, who was in the Legion of Mary with my granny, used to bring us for a drive to the Long Woman's Grave and to the Cooley Mountains. I will never forget it. As a child, I found it very exciting. I felt a terrible loss when we moved to Newbridge, County Kildare. Will Mr. Malone and Mr. Brady talk about geotourism, that is, the geology and archaeology of a region? How do they propose to attract tourists to Warrenpoint?

I am totally supportive of the initiative because there is no place as beautiful as it. Every time I face north I am in good humour.

Mr. Denis Brady: It is nice to hear the Senator say that. She raised a very good point in referring to geotourism. It is one of the strong points of the region. Last year Tourism Ireland, which comprises Fáilte Ireland and Tourism Northern Ireland, was instrumental in running the Geotourism Expo which was hosted in the Canal Court Hotel in Newry. It was a two-day con-

ference which I attended. The lead speaker was the chief executive from Kerry where the figure for tourism was up 17% in 2013. We know that there has been another significant increase this year. He spoke about what we could do as part of a joint North-South initiative. It was a very good conference and I was networking on behalf of our chamber. As a photographer, I am involved a lot in landscape photography. I was seriously disappointed by the all-Ireland tourist board's roadshows held in Derry and Belfast. The wonderful initiative on the Mountains of Mourne was only given a three-second slot, which really disappointed me. That is the problem we face.

Senator Mary M. White: What is the problem?

Mr. Denis Brady: The problem is that our area is not receiving its fair share of exposure in tourism promotion. That is why we believe we have to shout louder. The new initiative with Dundalk, Newry and Warrenpoint will try to address the issue. If we cannot have our area promoted as a tourism destination because we are not doing enough in that regard, we have only ourselves to blame. The money allocated for the Narrow Water bridge project was part of the tourism offering, but it has now been withdrawn. In the next round of European funding tourism will be off the agenda and funds will be allocated for roads and infrastructural projects. We lost out badly in that regard. It is very important that tourism be promoted properly. Newry and Mourne hosted the conference, yet the Northern Ireland Tourist Board gave the Mountains of Mourne initiative a three-second slot in its roadshow.

Senator Mary M. White: Disgraceful.

Deputy Peter Fitzpatrick: As a Deputy from Dundalk, I appreciate the good work done by the chamber of commerce. Before I was elected, I did not really appreciate its work. I attended seminars organised by Dundalk, Newry and Warrenpoint which I found both educational and rewarding. Dundalk is located close to the Border and despite the different currencies and tax systems, it is good that people on both sides of the Border work closely together. The infrastructure in place in Dundalk is impressive. Some 80% of the 5,000 students who attend Dundalk Institute of Technology are local, which is very good for local businesses because the college works closely with the local community. We have also been very fortunate to attract foreign direct investment. Among other manufacturing companies, Horseyear Ireland is based in Dundalk, as are a number of IT companies.

The chamber of commerce plays an important role on both sides of the Border. It holds clinics and arranges presentations for business. Recently, there was a talk on the draft Louth county development plan 2015 to 2021. The chamber also advertises job vacancies, which is excellent. It also organised a cross-Border employment and advice fair. It hosts business breakfast events, both North and South. The Giro d'Italia was fantastic for both the North and South and the two sides of the Border worked closely together on it. It is great to have different parades. The St. Patrick's Day parade in Dundalk is organised by the chamber of commerce and it is excellent. The chamber has also developed a shop-local voucher scheme, which provided a significant boost for the town. There is no reason similar initiatives cannot be pursued in Newry and Warrenpoint. It is important we look after our own.

There is a clear willingness between the North and the South to work together. Coming as I do from the area, I remember the bad times along the Border, including the RUC and Garda operations. There was an awful sense of fear. There is great potential if we work together to develop tourism and business in the region. As a small island, we must work together. It was a big disappointment that we were unable to get sufficient European funding to start work on the

Narrow Water bridge. That would have brought a massive boost to tourism and business in the area. Life is full of knocks but we have to pick ourselves up.

I welcome the progress that has been made since the Good Friday Agreement and the peace process. I remember the bad days but it is fantastic to think my children and grandchildren will have a better experience. As the Taoiseach has said, this is the best small country in the world and we should be proud of it. The Irish flag is flown in Australia, Canada and America. My hope is that the economy will pick up on both sides of the Border in the coming years. It would be fantastic if our families could start returning from all those distant countries. We probably have the best education system in the world, as well as the best doctors and nurses in the world. It would be fantastic to see them coming home. Perhaps Senator Quinn will open a few more supermarkets to bring them back. There is too much bad feeling at present. It is important we be positive as a country. Thirty years ago people never thought there would be this level of cross-Border co-operation. I welcome that we can all sit in the same big room and share the goal of ensuring both parts of Ireland do well.

Mr. Paddy Malone: Senator Quinn's marketing genius is well known. I could not agree more that we need a name for the region because calling it some combination of Mourne, Gullion and Cooley does not even give us three initials that make sense or rhyme with something else. We would love to get the name right.

The geo-tourism project to which Senator White referred lasted three years and is now finished. The project aimed to map the entire area and identify its potential. In the 1960s, prior to the Troubles, Oxford University brought its students to Slieve Gullion because it is an extinct volcano. Slieve Gullion and Crossmaglen have developed a different reputation since then but there is no reason why we cannot return to our earlier history. I agree that the geo-potential for the area is enormous. Cooley is 20 million years older than the Mourne. There are three different geological sites in the one area, with a deep water lough in the middle. There is no other lough on the east coast and Killary Harbour is the only comparable one on the west coast.

A ferry service is being developed between Greenore and Greencastle. This project is one of the slowest moving things I have ever seen. I hope the ferry does not move as slowly. The former ferry between Warrenpoint and Omeath, to which Senator Quinn referred, had some value. The ferry would benefit the Greenore and Greencastle area by opening up the Mourne in particular. The southerners believe it will bring greater benefit to the North by opening up the Mourne and Silent Valley but the northern side seems to be more resistant to the project. This is one of the problems that arise when one straddles two jurisdictions. We have to convince people it is a win-win situation. This is a collaboration between two jurisdictions that will remain separate jurisdictions until, as the Constitution stipulates, the majority vote to change it. We need to get that message through constantly and we need to show the hand of friendship. I have been to conferences run in Warrenpoint and Newry and because representatives of certain political parties were present, I was asked not to speak, which, as Deputy Fitzpatrick will know, for me is almost impossible.

I refer to the shopping side of things. Our submission indicated the staccato nature of shopping in the area - it is stop-go, stop-go. At the moment we are slightly go - not as much as it went the other way. I remember talking to people in Newry about it in 2009 and 2010. The unpredictability of it means we cannot have long-term planning, which results in both sides having too many shops. The Dundalk area has too many shopping centres and Newry has too many as is. The reason Newry is not represented here today is that another one is being planned, which is madness. This lack of co-ordination between North and South is destroying

both areas and is not making life easy for us.

We made reference earlier to the DkIT and the Northern side. Deputy Fitzpatrick mentioned 5,000 students. It is 3,000 full-time students and nearly 3,000 part-time students. It fluctuates between 5,000 and 6,000. Last year I believe there were only 40 from the North even though Newry is only eight miles away. I have spoken to Mr. Boylan and Ms Orla Jackson, the chief executive of Newry Chamber, about it. Most students in the North are not aware that the DkIT is a university because they do not see it as such. They see it as something similar to a VEC. They do not see it as an alternative to Queen's University, which is a problem. By contrast, the DkIT attracts 200 Chinese people meaning that the DkIT has five times as many students from mainland China as it has from eight miles up the road. Something must be wrong with a system that gives that result.

Deputy Lawlor made reference to Newgrange and the Boyne Valley. I hope that area will be advertised better than it has been. It needs co-operation between Louth County Council and Meath County Council, and I think that will happen. In the same way, we would hope that in the northern end of the county, Louth County Council will co-operate with the authorities in counties Armagh and Down in spreading that message.

We have talked about Newgrange and everybody knows about the Battle of the Boyne and all the rest of it. In three years the Louth area will have a significant anniversary. The last High King of Ireland was King Edward the Bruce, brother of Robert the Bruce, King of Scots. He was the last recognised High King of Ireland and was crowned as such in Dundalk. He ruled Ireland for three years. The strength of his organisation spread as far south as Limerick. So it was not just a local clan claiming he was something he was not. He had all of Ulster, because Ulster was the most Gaelic of all the provinces in Ireland.

Chairman: We are watching the clock.

Mr. Paddy Malone: We want to use the opportunity of that anniversary to market the area. We have already spoken to Scottish universities. There is great interest in looking at the Bruce Irish connection. There are also other Irish connections. The sister of Robert Burns is from the area, which is why P.J. Carroll named the brand of cigarettes Sweet Afton. We want to establish a tourism product. I will not go into the details, but those are the sorts of niches we want to establish. Today we have given an overall view, but we have detailed plans to support it. I just wanted to pick up on the references that were made to them.

Chairman: I thank everybody for coming to engage with the committee. The contributions have been really interesting and the delegates have done a great sales job for their area. It sounds to me as if putting a strategy together and making a plan to engage with other stakeholders to help them to deliver on it is the way forward. It would certainly help to inform our report.

The joint committee adjourned at 3.20 p.m. until 1.30 p.m. on Tuesday, 14 July 2015.