HOUSE OF COMMONS

# Northern Ireland Affairs Committee

## Oral evidence: Economic growth in Northern Ireland: new and emerging sectors, HC 1193

Wednesday 19 November 2025

Ordered by the House of Commons to be published on 19 November 2025.

Watch the meeting

Members present: Tonia Antoniazzi (Chair); Chris Bloore; Claire Hanna; Mike Kane; Mr Paul Kohler; Katrina Murray; Gavin Robinson; David Smith.

Questions 1 - 35

### Witnesses

I: David Quinn, Executive Director for the Belfast Region City Deal, Queen's University Belfast; Robert Hill, Chair, Matrix Panel; Stuart Anderson, Director of Public Affairs and International Relations, Northern Ireland Chamber of Commerce; Professor Paul Bartholomew, Vice-Chancellor, Ulster University.

Written evidence from witnesses:

- David Quinn, Executive Director for the Belfast Region City Deal, Queen's University Belfast [EGNI0015]

- Stuart Anderson, Director of Public Affairs & International Relations, Northern Ireland Chambers of Commerce [EGNI0023]

- Professor Paul Bartholomew, Vice Chancellor, Ulster University [EGNI0022]

### Examination of witnesses

Witnesses: David Quinn, Robert Hill, Stuart Anderson and Professor Paul Bartholomew.

Q1 **Chair:** Welcome to the Northern Ireland Affairs Select Committee. This is our first session on economic growth. I would like to welcome David Quinn, Robert Hill, Professor Paul Bartholomew and Stuart Anderson to our panel today. I am going to start with the first question. Could you describe your organisation and its role in pursuing economic growth?

***Stuart Anderson:*** Thank you for the invitation to be here today. Our organisation is all about economic growth. We are cross-sectoral and cross-regional. About 47% of our members are Belfast-based and another 47% are outside and in the regions. We exist to help businesses to learn to promote what it is that they are doing to network. Perhaps what is of particular importance here today is to help to influence government policy to unlock growth. The myriad political structures that we need to engage with to do that underlines the importance of the role that the chamber has.

***Professor Bartholomew:*** Thank you for the invitation. Ulster University is a multi-campus institution in Northern Ireland. We would describe ourselves as being dual intensive in both research and teaching. Indeed, that is one of the reasons why we are a founding member of ResearchPlus, because we believe that universities should be in both of those places. We have three campuses, in Belfast, Derry/Londonderry and Coleraine, and across those campuses about 25,000 students.

Our research is of particularly high quality. Some 87% of our research has been judged as being world leading or internationally excellent. In terms of research impact, that is a better story still, with 97% of our research judged as having outstanding or very considerable impacts in terms of its reach and significance. By that measure, across all universities we are 14th in the UK, but, among the large institutions submitting to more than two units of assessment, we are second on that measure of research impact.

In terms of our contribution to the economy, that is at about £1.85 billion of annual economic value, which gives us a benefit-to-cost ratio of 8.2:1. You might have seen the latest Universities UK methodology, which is slightly different from that, where it reports, I think, 14:1. On that same measure, we are about 18:1, so, again, ahead of the sector. As a university, we are about IP generation and research, but also the skills pipeline, with large numbers of students who are facing the economy.

***Robert Hill:*** Hello. I am Robert Hill, chair of Matrix, the science industry panel. It is an independent panel made up of 18 industry experts who are relevant to Northern Ireland but also recognised internationally, which is important when people put a microscope and a focus on to Northern Ireland.

Our main role is to help industry and academia to exploit and understand how they can move R&D forward. We do this through foresight reports. In the last 18 months since I have taken chairship, we have created five reports. One was around decarbonisation in the built industries. One was on the development of the space industry in Northern Ireland, which is growing significantly; that has to do with our adjacent industries in aerospace and defence, and pivoting them into space. Regulatory technology is an area where we see real opportunity for Northern Ireland.

Our latest report, which was launched just last week, is on photonics and lasers.

Right now, as we speak in this Committee Room, my colleagues Patricia O'Hagan, Tom Gray, Steve Orr and Jill Shaw are actually in the Stormont buildings with the newly formed AI taskforce. Our reports are meant to help to advise Government, Invest NI and, indeed, the Chief Scientific and Technology Adviser, Professor Helen McCarthy. These are evidence-based, data-driven reports, independently verified, which help to support where we should be putting our funding and support mechanisms forward and see where we are already excellent and moving forward.

We cannot be excellent in everything. We can be good at everything, but everyone says that. This is about showing excellence and finding where we truly are excellent and have a niche, and maybe sometimes where we might take our resources elsewhere and move forward. It is about providing that evidence base to Government, industry and research to make the right decisions.

***David Quinn:*** Good morning. I very much welcome the opportunity to be here, as you may know, from Queen's University in Belfast. We very much see ourselves as an anchor institution for the Northern Ireland economy. There is a big obligation and responsibility in that, but we embrace it. It is something I see very clearly having come from the private sector for over 35 years and joining Queen's.

We are well recognised for the quality of the talent we put out. That has been a huge draw of FDI into the economy of Northern Ireland. I saw that myself as a private sector employer. Just like Ulster, we score very highly in research quality, being world-leading and internationally excellent within the UK. Some of our areas in pharmacy, medicine and so on, are right at the very top in the research evaluation framework. There is real strength there and we are in the top 200 universities globally.

There is a real culture of entrepreneurship. Regularly and consistently, we are in the top two to three universities across the UK for entrepreneurial impact. We have produced over 100 spin-outs. There are still 45 or so active in the portfolio. I sit on the board of that spin-out company. Our contribution to the economy is in the order of £3.35 billion per annum, which is an 8:1 leverage on cost versus return.

I would say—and Ulster University is in the same boat—that we, along with Government, are investing heavily in the city and growth deals, which we will come on to. They are a key piece to leverage more economic impact from the universities.

Queen's is not only very important to the economy in Northern Ireland and the UK, but we very much want to see ourselves as a key delivery partner in niches, to Rob's point, in aspects of that industrial strategy. We want to see the triple helix working properly between industry, academia and all parts of Government, including in Northern Ireland and here in the rest of the UK.

We see Northern Ireland as a fantastic testbed to bring those strengths through. We think that some of those strengths are key to delivering on aspects of the strategy, but we need to address the funding and how that is working and flowing to Northern Ireland. We are building these innovation assets. We now need to leverage them. Now, with the modern industrial strategy, it is a very timely inflection point to have that discussion.

Q2 **David Smith:** Morning, gentlemen. My question is for Robert, although anyone can chip in if you would like to. From your bio and what you have said this morning, Robert, I understand that you are very involved in the space industry. What would you like to see as the frontier sectors in Northern Ireland in 2035? I am fighting with my whole body not to mention "Star Trek", but I have probably failed—"the final frontier". In terms of the frontier sectors 10 years from now in Northern Ireland, what do you think that they would be?

***Robert Hill:*** The first thing is to make sure we are aligned with the industrial strategy. If you look at the Department for the Economy's strategy, you can see that there is a lot of overlap. One missing area is in professional and business services, which Invest NI is doing a really good job of addressing.

Over the last two years, as I have said, we have been looking at where those sectors are in which we have that niche moving forward. If you look at the industrial strategy and the scientific strengths, you will see things like artificial intelligence, quantum and semiconductors. Across all those scientific areas, we have created the reports for Northern Ireland to make sure we are aligned, both regionally and nationally. Very importantly, when we create these reports and foresight studies, we are not navel-gazing. We are looking beyond, to Europe and the rest of the world.

Of the two areas we have not covered yet, one is quantum technologies, which is very important to Northern Ireland. The other area is how we look at innovation as a way to make sure all the citizens of Northern Ireland are involved. When you talk about areas such as space, space is an enabler. AI is an enabler. How do we make sure it is not just the very few who move forward and we do not get this disparity in society? It is about making sure that everyone comes on board.

A good example of that for me would be Lough Neagh. It is our drinking water. How do we use new technologies to understand how we secure the resilience of that drinking water? If you come to the space example and AI, recently we have been looking at how we predict and monitor what is happening in the lakes. If you go back 10 or 20 years ago, you would have been sending a boat out, or it would have been a few sensors. Using new technologies, we are looking at these new sectors to see how we adapt to climate. How do we adapt to these changes? We are now using water-based sensors, drones, in-situ technologies around the catchments and satellites to bring that forward. For me, it is more about how we use these enabling technologies to make sure that Northern Ireland is ahead of the curve.

Q3 **David Smith:** Can you say a bit more about what you mean by quantum technology?

***Robert Hill:*** This is a report we are going to get into. Quantum is such a massive thing. We had a debate within the group. Is it quantum computing? Is it quantum technologies? Is it quantum encryption? It is a big area, so we are not quite there yet. We have just set up the report and hopefully in the next few weeks we will be commissioning that report. We will be able to come back to you, hopefully in the next few months, with an evidence-based, data-driven report of what that actually looks like.

Q4 **David Smith:** We will look forward to that. Does anybody else want to say anything more about potential frontier sectors of the economy in Northern Ireland?

***Stuart Anderson:*** As a cross-sectoral business organisation, you are under pressure from all the sectors to prioritise them. That is really apparent when we get into discussions around the industrial strategy. Northern Ireland is well known for what it can do in agrifood and professional services, and certainly those sectors should not be forgotten about. When you look at the priority sectors as they are identified in the industrial strategy, and even within the economic vision that our Economy Minister has, which we will come on to discuss, there is a lot of overlap between those.

When talking about prioritisation, we need to be thinking about those sectors that have the widest benefit. When we think about clean energy, what does that mean for advanced manufacturing, for instance? Just yesterday I was talking to a manufacturer who has a plant here and one in GB, and is paying 40% more for its energy costs. When we talk about clean energy, we are talking about affordability, security of supply and that green transition.

When you look at digital technologies, as we were discussing just a moment ago, with the economic data in Northern Ireland we are seeing wide disparity within sectors. We have some businesses within sectors doing exceptionally well because they are embracing new and emerging technologies, and there are those that are lagging behind. When it comes to prioritisation, we have to think very carefully about those that have the widest benefit. For us, that has to be clean energy and digital technologies. Then you can see the roll-out effect across life sciences and others that we are known for.

***Professor Bartholomew:*** In terms of that multiplier effect, being able to have a positive impact through research on health and the knock-on effects from health into productivity of people is really important. We have a number of projects and research across both universities that should and will, I think, have a positive impact in terms of making people healthy and the indirect impacts that then has on productivity and growth.

Q5 **Gavin Robinson:** Good morning to you all. Mr Anderson, you mentioned there a company that had manufacturing facilities in both GB and Northern Ireland, and you said there were 40% higher costs.

***Stuart Anderson:*** Yes, that is right: 40% higher energy costs.

**Gavin Robinson:** Where?

***Stuart Anderson:*** In Fermanagh.

Q6 **Gavin Robinson:** Thank you. You left it hanging—you said one of them was 40% higher than the other, but it is important that we get which. I think I have visited the facility that you are talking about. Professor Bartholomew, what opportunities are there for high-growth sectors in Northern Ireland? You mentioned health from your own university's perspective, but could you outline to the Committee what you see as the opportunities for high-growth sectors in Northern Ireland?

***Professor Bartholomew:*** I think that they are picked up by others too, but they will be those ones that we are continuing to invest in, so agritech, advanced manufacturing materials and engineering, financial services, fintech, life and health sciences, as you have mentioned, and then of course, as Stuart was mentioning, the low carbon and net zero. For us, we will identify screen industries—that includes games, movies and so forth—and software, including cyber. There is good read-across in relation to the city deal investments, where I would contend that universities are being co-investors in that space with other funders. That would be a broad summary of what I think the growth industries are. They are the ones that we are backing.

Q7 **Gavin Robinson:** Mr Hill, you mentioned AI and then you went into some quantum leap about quantum. A lot of phraseology gets used in these things and sometimes this is our opportunity to try to understand exactly what lies behind it. From the AI perspective, we were briefed as a Committee to indicate that there is about £188 million of revenue receipts from AI in Northern Ireland at the moment. That is expected to double by 2028. That involves around 192 or 198 companies, so, on average, it is about £1 million per company. How concerned are you to see, over the last week or so, talk about the potential for a burst of the AI bubble? If there was a burst in the dotcom bubble, that would significantly and materially impact what is seen to be a sector that could double within the next three years.

***Robert Hill:*** AI is probably one of the few technologies that I, and probably many of us, have seen in the last 20 to 30 years that have exponentially grown, and it has taken us a bit by surprise. We all have to be honest about this. We probably thought, when we were looking at our business plans and case studies, that this AI would impact us in a year or two or three years' time, and it is impacting us right now.

I see it as an opportunity. I see it as a challenge if we do not act now. I see it as a massive opportunity for Northern Ireland. I do not see the dotcom bubble in this instance bursting very soon at all, because everyone uses AI. It has now become inextricably linked to society. It is in business and in the public sector. It is how we engage with AI and use that technology. We also did a report on the ethics of how we use AI and making sure that Northern Ireland is seen as an area that uses AI responsibly.

If we decide now that this bubble could burst and decide not to act, or we are a bit risk-averse—it is normal within society to be a bit risk-averse—other regions or countries will take over. They will grab this and move forward. If you are asking me to look to the future in five years' time, that is a very hard thing to do in any technology or trend. I said that this is very important. You can look at the report we created with Matrix. This is about getting everyone in Northern Ireland involved with how we can use AI to help society, the public sector, research and industry. If we do not do that now, I can assure you that other nations are moving forward. They are putting policies and strategies in place. Will it burst in five years' time? It is a really good question.

Q8 **Gavin Robinson:** It is fair to say that the bursting of the dotcom bubble did not end or stagnate the use of the internet, and nor should it on AI. Let us talk about Government's opportunity to exploit potential growth sectors. What do you think Government should be focused on, whether regionally or nationally here, for developing growth sectors?

***Robert Hill:*** Where we can create mechanisms jointly with local government and national Governments is important. If we look at something such as AI, we have, say, 100-odd companies in Northern Ireland and there is an opportunity for them to embrace this right now. We have to create this society. We have to create mechanisms for this to happen.

If you look at Northern Ireland at the minute, we are quite unique in the UK when it comes to R&D spend. I am sure that you are very aware of this. Some 75% of R&D spend in Northern Ireland is business-led. About £1.1 billion, I think, is the latest. Also, we are different from the rest of the UK in that about 49% of all the business spend in Northern Ireland is SMEs, compared with, I think, 38% or 39% in the rest of the UK, so we are quite unique. I think that it is 1,300 businesses. If you then look at the wider scale of Northern Ireland, we are still very much near the bottom in terms of how many businesses are getting involved in this. With technologies such as AI, if we can create mechanisms that allow us to help those companies to do R&D to understand what AI can do for business or for the public sector, that is really important.

To follow up on that—this could be a question later—where we have national programmes such as Innovate UK and we can actually partner and put some funding in regionally, as the Department for the Economy has done, our companies may lose out because they have not been able to win the bids. If we align those with the priorities in the Department for the Economy in Northern Ireland, we can get those companies on board and make them engage with the wider UK society.

A typical example is that work that we did with the Department for the Economy. It put £6 million into this and an extra 109 companies in Northern Ireland were able to engage in projects that they probably could not have engaged with through the UK.

Q9 **Chris Bloore:** You mentioned the SME-heavy make-up of the Northern Ireland economy. It was not something that I was aware of until I started reading the papers. We are going to talk about innovation later, but the fact that the make-up is so SME-heavy must have quite an impact on expansion and innovation for the economy, because you have so many businesses that do not have the economic ability to do it. Is that something that you have seen for quite a long time?

***Robert Hill:*** It affects our productivity, yes. As I mentioned, if you look at R&D spend, it is mostly SME in Northern Ireland, so that 75% of industry and then you have that spend. When you look at the overall spend, it is only about 30% that are actually engaged in R&D. If we do not have more companies doing R&D, and it is an SME economy, it is going to affect our productivity in the future. I wonder whether any of my colleagues from the universities want to come in on that.

***David Quinn:*** It is a fact of life and there are various reasons why Northern Ireland has not drawn down as much UKRI and Innovate UK moneys as it might per capita and based on the excellence of its research. There are some pre-existing funding issues that we can maybe unpack later, but the reality of it is that those smaller companies find it difficult to put together bids that meet the criteria set by UKRI, Innovate UK and the research councils.

If we want that piece of regional balance and to tap into the strengths that are there, some thought has to be given to what ruleset is applied to some of these calls that come through. Otherwise, you are disadvantaged from the get-go. In fact, we are already disadvantaged before we bid and then the ruleset within those disadvantages us further. That is something we can maybe talk about later.

Some of the place-based interventions are starting to help in that regard, but sometimes it is a one-size-fits-all set of criteria that we need to find a smarter way to look at. That is why maybe looking at how we get some intergovernmental strategic relationship going around the implementation of the modern industrial strategy and the public funding that flows behind that is important. How do we get more coherence? I know that Makers Alliance has made some suggestions in its submission around some form of strategic industrial strategy unit between London and Belfast.

***Professor Bartholomew:*** There are some tensions that might be exacerbated by the direction of travel in relation to the future of research moneys, with the sense that research concentration and specialisation may well be better—"Let's invest in what is excellent". Of course, that makes some sense, but the industrial strategy is very clear that the way to power up the nation is to power up the regions. Concentration may well not overlap perfectly with geography.

The devolved Administrations, including Northern Ireland, have to be quite robust in pointing out the pragmatics of being able to square the circle of regional growth with notions of concentration. We can do it, but there needs to be some awareness of the value add that you get. I have had conversations with UKRI about that. It might see that as counting on the social value side, but it has to count for a bit more than that. If we are looking for research and innovation as a way to enact growth, and growth is desired everywhere, the investment also needs to track the geographical need.

Q10 **Claire Hanna:** As a wee follow-up on that, what do you think the role of universities is in driving that regional growth and balance issue?

***Professor Bartholomew:*** It is absolutely fundamental. It is where a lot of the IP gets generated. That is not to say that all research happens in universities. It happens outside as well.

Universities, my own included, have to get better at working with industry, but there are a number of projects that are designed to do just that. Our city deal projects—we are involved in seven—are all aligned with industry and will be exemplars of that triple-helix approach. We are an enormous engine and resource.

If I am being frank, over recent years there have been funding constraints on universities. We have gone backwards in a number of funding measures and that is systematic disinvestment in universities when we accept that, with over 8:1 benefit-to-cost ratios, they are engines for growth. If you read through the industrial strategy, there is loads of language in relation to how central universities are, yet we have co-created an environment where there has been disinvestment from universities. I am not sure that it is the best thing we could do.

Q11 **Mike Kane:** Thank you, Vice-Chancellor; it is lovely to meet you. On that basis that regional growth drives innovation, investment and business, the British and Irish Governments signed the deal in 2020 around the Magee campus for the equivalent of 10,000 full-time students. I was wondering how that journey of driving innovation, which has AI and medical students, is going.

***Professor Bartholomew:*** It is certainly going. It has really made a difference for us to be invested in that way. We have 6,500 students now. You will perhaps know that, within the public domain, when I first took office and people were pushing me on that number, I said that, under the current environment, 10,000 students could not be met, and so we have set about trying to change that environment.

I predicted at that point, through my own modelling, that we would get to 6,500 students naturally by about 2028-29. We will be at that now, so that is the difference that the investments are making. We have made investments in real estate into that campus and opened a building just a few weeks ago. We have more students than ever.

In relation to the city deals, we are at that critical point. You are right that we have our CADRIC city deal, which has an element of AI within it in terms of the cognitive analytics. I will not say that it is full steam ahead, because the city deals investments and so forth are absolutely steeped in layers of bureaucracy and, from my perspective, a little delay too. Perhaps we will return to that later and I can tell you what I really think.

Q12 **Mike Kane:** I suppose that, in terms of good strategy, it is turning what you have into what you need to get what you want. You are saying that you are making progress on the journey, but it still feels maybe that it is an underleveraged asset in the north-west, particularly if you can sweat that asset in terms of the port, the airport, the innovation that is going there and getting those types of people to live and work there. My own city of Manchester is experiencing extraordinary growth by bringing those sectors together. Primarily, it is sweating that asset of that campus and getting to those 10,000 full-time equivalents.

***Professor Bartholomew:*** I absolutely accept that it is a catalyst for growth. It is why I have been signed up for that and, indeed, had been committed to growing that campus before there was the current intervention around the taskforce. I have made those commitments and spend much of my time looking at that. I have to say, it is a much harder project than people think that it is. In the early days of this discourse, people were saying, "Why don't you just move 1,000 students?" I am afraid that it really does not work like that. There is a whole bunch of things in terms of student choice, infrastructure and so forth.

Q13 **Mike Kane:** If it cannot be done by Ulster University, as the Royal Irish Academy has said in both 2021 and 2024, do we need another sector there? Do we need another independent higher education sector to drive growth in the city?

***Professor Bartholomew:*** No, I do not believe so. I take issue with the idea that it is a Royal Irish Academy report—it is not; it is a report that was written by a single author and it was an insufficiently robust paper. I have been extraordinarily critical about it. The single author did not even turn up at the focus group that was the main data generator.

Q14 **Mike Kane:** No competitions would be a good thing, you think.

***Professor Bartholomew:*** There should be as much competition as there should be, but the whole campaign for an independent university in Derry is completely flawed. It is an idea; it is not a plan. The Royal Irish Academy paper does nothing on that. It is notable that the Royal Irish Academy puts on a statement that it is the view of the authors. There is a reason for that.

Q15 **Mike Kane:** But we are for sweating that asset.

***Professor Bartholomew:*** Absolutely, 100%, and that is why I have been putting all my efforts into that campus.

Q16 **Gavin Robinson:** Mr Anderson, we know that the Northern Ireland economy's growth has been slightly above average compared to the rest of the United Kingdom over the last number of years. We know from PwC's report last year, in 2024, about the over-reliance on the public sector insulating the benefits of an economy that has very difficult figures when it comes to productivity rates and the productivity gap with the rest of the United Kingdom.

Leaving the politics aside, because you will have different views even right around me as to the impact of the Windsor framework and dual market access, we know very much that the prime economic agency in Northern Ireland, Invest NI, has said that it cannot demonstrate where it has been able to sell, practically, the benefits and businesses have invested as a result. What evidence is there that businesses have been able to leverage dual market access?

***Stuart Anderson:*** That is a great question. I always welcome it when a politician opens by saying, "Leaving the politics aside". It is a very fair question and a question that we have to consider. We are always looking for any competitive advantage that we can get. When you look at the official objective figures for exports, the figures for Wales and Scotland, so the other devolved nations, fell through the floor in 2024, whereas Northern Ireland bucked the trend, albeit at a modest level.

It is a potential opportunity. I have been on the record as saying that. We, as an organisation, see the benefits anecdotally through some of our members, but there is another story to be told, and that is that the frictions between GB and NI need to be kept under constant review. Regulatory divergence is probably one of the single greatest challenges that we need to consider when we think about GB being our biggest market.

More than that, dual market access is predicated on the notion of the movement of goods, and exclusively the movement of goods. We have spent a lot of time, as an organisation, focusing on infrastructure challenges that we have in Northern Ireland, whether that is planning or, more recently, the waste water crisis. I appreciate that that is beyond the scope of the conversation that we are having today. We would be happy to come back and talk about that at another time.

The reality is that, when you look at the skills gaps, 80% of our members are saying that they have persistent recruitment challenges. You can look at the fact that we have a gap of about 5,000 workers coming through every year, in terms of the skills deficit that we have. We have over 600,000 economically inactive, which is a problem that is really difficult to solve. That labour supply and skills issue is one. If you cannot get planning approval or—dare I say—flush a toilet because the waste water infrastructure is not where it needs to be, you are not going to attract the FDI and the investment that we need to see.

There is another challenge that we have that is unique to Northern Ireland, and it is the competitive position that we have relative to our nearest neighbours in the Republic of Ireland when they are performing the way they are, with productivity and education rates—seeing school pupils go right through to the age of 18—much higher than they are in Northern Ireland. Then you look at the competitive tax rates. We consistently hear the calls for a reduction in the corporation tax rate and a reduction in the VAT rate, particularly around some of the border regions that our members are trying to compete in. There are unique challenges that we face.

To answer your question, yes, some of our members who are on the ground in Northern Ireland, having had a traditional base in Northern Ireland, are certainly benefiting from that barrier-free access to the EU and into GB. Official data supports that. In terms of actually attracting foreign direct investment, we have some serious structural issues to solve before that notion can be tested.

**Gavin Robinson:** In fairness to you, you have rightly outlined why issues around planning and waste water infrastructure are not out of scope when we are talking about potential for growth or barriers to growth. They are very much salient issues.

Q17 **Claire Hanna:** Stuart, I am going to come to you about the barriers that high-growth sectors and then SMEs face. You have touched on some of these, but, for the record, could you outline what barriers you think high-growth sectors are facing?

***Stuart Anderson:*** Touching on the infrastructure challenges, I have outlined some of them. It is particularly instructive if you look at the reports that the Audit Office has done since 2019. You have the major infrastructure report that it did in 2019. Then you have had subsequent reports on planning, waste water and skills, and, more recently, in terms of the energy transition. All those reports match the lived experience of our members.

Regrettably, we have seen limited progress since 2019 in dealing with each one of those issues. The barrier that comes up repeatedly for our members is the notion of skills and a sense that, in terms of policy intervention, we are falling behind other devolved regions and the Republic of Ireland in terms of how you deal with that. We have seen the establishment of Skills England. You have Skillnet Ireland in the Republic. They are all doing great things in terms of managing that demand. We do not have that in Northern Ireland. We have got an Economy Minister who has said that she has an openness to looking at that. We really have to do something about managing the fragmentation of our skills system.

If you look at our economic activity levels, as I mentioned 600,000 people are economically inactive. We have members who are open and willing to engage with people who are economically inactive, but, as you will appreciate, that is not easy. Our struggling public sector and the political instability have led to things such as the long-term sick constituting the largest bracket of those within the economically inactive. Over 100,000 people are out of work because of long-term sickness. Access to labour is one thing that I would press upon everyone here.

To the point around Northern Ireland being an SME economy, if you are an employer of fewer than 10 employees, you are the office manager, the HR manager and the regulatory manager. You are all those things and that creates a really difficult picture for those trying to innovate and progress.

The other issue that I want to highlight, particularly with reference to the industrial strategy that we are talking about today, is the lack of availability of some of the interventions in Northern Ireland. There is a really important role for the NIO to play here. You have intervention, particularly in the energy space for energy-intensive industries. You have got the supercharger scheme, which is only going to go one way in terms of intervention for energy-intensive industries. That is not available in Northern Ireland. There needs to be a mapping out of all those interventions that are not available and then the question has to be asked around whether we can be compensated or mitigated accordingly.

Q18 **Claire Hanna:** You have correctly identified, I believe, the big unlearned lesson from the Republic's success. We obsess about tax rates, and obviously that is not nothing, but it is consistent investment in skills. That is the bottom line. Infrastructure and skills is what has created the miracle in the Republic. It is not just about tax, and that is a lesson the Executive have failed to learn.

You have hit on the fact that, although obviously we are scrutinising UK departments, a lot of these are deficits from the Northern Ireland Executive and failure to implement strategies, particularly around skills, but infrastructure as well. We will come back later in the discussion about that interaction and how we bridge it. David, you were trying to come in there about skills and how UK Government policy can help to overcome some of those barriers.

***David Quinn:*** Stuart has articulated it very well. I will not get into the debate about the funding of higher education and that tier. I think that this Committee has already looked at some of that and the MaSN cap, as it is known. Certainly the whole skills ecosystem in Northern Ireland has a fair way to go. With the innovation assets, the investment we can bring and the new jobs we can create, the shuddering thing we come up against, and the first thing on the tongue of every employer, is, "What about the people? What about the skills?" That is not just for those who come from higher education. It is all levels of professional and educational attainment.

We undoubtedly have lots of good intent, lots of analysis and lots of people doing things, but we need coherence and a strategic oversight that also looks at skills in light of where the strategic requirements are. Again, Stuart has articulated this. When I read the modern industrial strategy, I have not done a word search, but Skills England pops up what almost seems like countless times. Then there is a little line: "We will work with the devolved regional Administrations to do something", or words to that effect. We need more than that.

A call to arms—although maybe that is the wrong phrase to use in the context of Northern Ireland; let's say a call to action—would most undoubtedly be in relation to skills. That is one of the big drags on our productivity.

Q19 **Claire Hanna:** Robert, did you want to come in there? Do you have anything to add to what Stuart said about barriers for high-growth sectors?

***Robert Hill:*** At Matrix, we look at the opportunities, but we also look at the barriers to entry. When we look at this SME community, it is reaction time. Stuart said it very well: if you are a very small SME of 10 or 12 people, you have 12 hats to wear at all times. If something comes across your desk and you have two weeks to react, that is no good. Sometimes, a call, or multiple calls, come out where an SME can engage, but the time to react is just too soon because we get it too late.

There is something that can be done between regional government and national Government to make sure that we have time to react to these things or we get at least some sort of indication to say, "This is coming down the line in six months". The likes of Invest NI and the Department can say, "These are coming". Also, if there is a plethora of 30 or 40 calls coming out at the same time, it gets very confusing. It is for the Northern Ireland Government to say, "This is where it aligns with the Department for the Economy. This is where it aligns with our strategy for science and technology", and make sure our companies are set up for that.

Again, the universities can play a role in supporting this, because it usually is about research and industry. You need partnership. You cannot react in three weeks to get a partnership together. You need time. Time to react is a very important point if we are trying to get an SME economy to be more productive.

**Claire Hanna:** We will pick up on some of those ideas later on.

Q20 **Mr Kohler:** Can I go back to something you said, Stuart, linking what Claire and Gavin were asking about? The independent monitoring report has highlighted the fact that small businesses are having real problems getting advice on accessing the advantages of the dual market. Is that a fault of the Northern Ireland Office? What is that and how can that change?

***Stuart Anderson:*** Again, that is a very good question. It is a real issue in terms of accessing the guidance. The only difficulty we have is that there has to be a recognition that, while the arrangements we have are unique, they are also deeply complex. I have a bit of a reluctance around the notion of better guidance being put up as the solution every time. The Windsor framework has, wired into it, language around the need for constant review. There needs to be an obligation on both the UK Government and the European Commission to be minded to do that, particularly taking into account how the preamble is framed around protection of Northern Ireland's place within the internal market, but also looking again, as you mentioned, at those wider opportunities of accessing the European market barrier-free.

Connectivity is also really important in that, and that includes movement of people from our airports as well. I appreciate that it is movement of goods, but key to the movement of goods is relationships. I really welcome seeing what, in particular, Belfast International Airport has done, and Belfast City Airport also, in its master plan and projection around opening up new European routes. I hope that we will start to see the benefits to that. It is our biggest market outside of GB, but we have to do more.

To your question of who is responsible for it, the UK Government, as the lead negotiator and the holder of the chair in terms of the joint committee, need to take responsibility for it. The relationship between the Executive and central Government needs to get better. It needs to be much stronger than it is now in terms of being able to support businesses. There is no point in having multiple sources of assistance and guidance. The notion of a single window is one that would be really useful. The guidance needs to be cleaned up, tidied up and made more accessible, but I also would caveat against using it as the main solution to the challenges that we have, because there is complexity there.

Q21 **Mike Kane:** We are looking now at economic growth strategies. We had a presentation in private before around the UK industrial strategy, but Northern Ireland is not mentioned. I am trying to get to the bottom of the politics of that. In my previous role, I had a great relationship with Dr Iain Percy in Artemis Technologies. Those are world-leading propulsion systems that are decarbonising maritime. How do we get on paper what we actually want to achieve in terms of industrial strategy in Northern Ireland?

***David Quinn:*** I will kick off and my colleagues may want to join me in that. You put your finger on it. We have had various economic action plans in Northern Ireland over the last 12 to 15 years, but arguably no fully coherent Northern Ireland economic plan. That needs to be worked up, particularly in light of the modern industrial strategy. Saying it apolitically, also looking at what is happening in the Republic of Ireland and its recent action plan around productivity and competitiveness, we need to take cognisance, if you like, of the world around us. That is one thing.

We talked earlier there about better joining up between the Northern Ireland Executive and national Government. There probably needs to be some sort of vehicle that drives that need for an economic action plan forward. Who do the participants in the room need to be on that? I like to think that some of the entities sitting around this table would be part of that, not least the universities.

Then there is a bit for some of us to get greater coherence in where we feel that those economic priorities and growth sectors are. We touched on that a little bit earlier, but I did not get a chance to comment on it. Let us remember that we have had peer-reviewed, independently challenged investments in city and growth deals. Those city and growth deals are based on industry strengths, research strengths and where we have some track record already of translational research. Let us not lose sight of the homework there. Let us not lose sight of the assets that we have, but think about how we sweat and use those as maybe the primary frontier sectors for Northern Ireland. In doing so, there is interplay between them and they can pull through a number of the others.

Speaking at least from where I sit, as the executive director of the Queen’s city and growth deal assets, working in partnership with others, we have a particular strength in cyber-resilience. That can play into so many areas, including AI, all sorts of industry areas, critical national infrastructure and the full technology stack, as it is called.

We have a hugely vibrant life and health sciences culture. We have many assets that are now starting to operate. We are going to try to fill the gap in one of those through one of the new funding calls and have a very integrated, agile, data-driven, end-to-end life and health science ecosystem.

Then, undoubtedly, as Rob and others have touched on, we have critical and specific capabilities in areas of advanced manufacturing, with aerospace and space being there. Semiconductors and photonics are emerging. Matrix has done a recent report. We have very particular skills in heavy engineering and materials handling that do not exist anywhere else in the UK.

I do not know whether that answers your question. We have to start from the top down, but there is a bit of us pushing from the bottom up, where we already have assets we are building around. That coherence is possible. It is slightly frustrating to a number of us that we have not quite got to that juncture, but I feel that we are close.

Q22 **Mike Kane:** That is a very good answer. In terms of space, we need sovereign space capability in the United Kingdom. There is a big Glasgow cluster. We can launch from the north. Most of Europe is landlocked. It seems like a huge opportunity for the advanced manufacturing sector in Northern Ireland, as well as the decarbonisation sector. As you said, another frontier is cyber, because geopolitical threats are increasing on all sorts of levels and we have to defend ourselves, so that is very good.

***Professor Bartholomew:*** I enjoy the industrial strategy for something that is in the introduction; it says that one thing we need to do is "take punts". That is so important. We have spent all morning talking about the role of innovation in growth. Innovation is about doing things differently and doing things differently feels risky. When there is risk, we try to manage risk, but when we try to manage risk we do so slowly and ponderously—sometimes too slowly. I could not have read a better phrase than the invitation to "take punts" within the industrial strategy.

Something in the industrial strategy that Northern Ireland does not do very well is take punts in a way that will allow us to act with necessary agility. We can work with necessary agility. I think that everybody would love to. When you talk to people, even those who are involved in the infrastructure that is called due diligence of public funds, they themselves are also frustrated in terms of the time it takes to get innovation projects. We are at real risk sometimes that an innovative project that is put forward to funding is no longer innovative by the time it is funded. That is a real issue for growth.

Q23 **Chris Bloore:** In your written evidence, you talked about a cultural aversion to risk. The million-dollar question is how we overcome that.

***Professor Bartholomew:*** We have to be really bold. Some of that has started with the review of the Green Book methodology, with the pilots that are going on and the whole business case methodology, as it is stood over by armies of civil servants to scrutinise everything. If we go to the city deals, we spent years in city deals propositions with contracts that come back that expect universities to not just stand over the finances—we understand that—but stand over the risks.

The risks change over that period. We were looking at years of due diligence of public funds, while, at one point, construction inflation for capital projects was running at 1% per month. It is really difficult to see how any due diligence about how you are going to spend the money is going to outpace that level of construction inflation—yet we did, and do, do it to ourselves. When you talk to people about that, no one thinks it is sensible. I have conversations with people all the time—senior civil servants—who say, "Yes, we see the problem".

With the Green Book methodology, as it goes through, in terms of the place-based narrative that is in the industrial strategy, that is also really important. I really welcome the fact that we are looking at that change. If you are looking for where investment will make the most difference, of course the business case and option that will make the most difference is where there are already the number of accelerators, which is probably in areas that already have high levels of growth. If we are to do place-based projects that will level up regions and give us growth across the totality of our economy, which I believe is true, that is not good enough.

I welcome the fact that other people are talking about that. There were those pilots around the Green Book methodology. It is an open door that we could push at that will make us so much more nimble. I would love to see it.

Q24 **Katrina Murray:** I want to pick up a bit more of the discussion around about being place-based. How do we make sure that growth is balanced across the regions?

***Robert Hill:*** For me, there are two real main things, the main one being connectivity. If you are going to have a place-based economy, you need to have the infrastructure, as Stuart has rightly said. You cannot just have everything in the major cities. Last year, Matrix commissioned a report on advanced wireless technologies. What can this mean for our population? We are trying to cut down our carbon footprint and look at decarbonisation, yet everyone has to keep travelling around and going to a place of work. The way that we work, you need to have that connectivity in place.

Northern Ireland does not have that at the minute. There are many areas of Northern Ireland—I am sure you are aware—where you may be on a call and it just falls off the face of the earth. How do we embrace that connectivity? How do we work with the suppliers and operators? The problem is that a large operator will come and say, "Well, 98% is connected". That is 98% of people in Belfast who are connected, not in Coleraine or Portadown. How do you do that? Then how do you create a business model that makes them interested in coming to a smaller population, with 2 million-odd people in Northern Ireland?

For me, connectivity and that infrastructure is absolutely critical. It is taking a punt and doing it now to ensure that all our citizens can work in that place and we can grow those places. Without that underlying connectivity and infrastructure, fundamentally, it will not work. I will let my colleagues talk, but for me connectivity is key here.

Q25 **Katrina Murray:** This is a bit off-topic, and I apologise for that, Chair. It is about recognising how much of Northern Ireland has access to proper, consistent 5G, and that infrastructure that is there too. It is recognising that it is not just rural—I am thinking of my own constituency, where the signal literally drops out, and we are 10 minutes out of Glasgow.

***Robert Hill:*** Because we have these reports from Matrix, that has created actions. The UK Space Agency has recently funded a programme at Rathlin Island. Historically that it is very important because, if you know the history of Marconi, it was the first time a wireless signal was ever sent across open water. It has no connectivity, yet it was the first. We have worked with a national agency to fund programmes in Northern Ireland, but it is only because we have identified it through these reports. Having those foresight reports and that data and evidence is absolutely key.

***David Quinn:*** To echo that, certainly Northern Ireland pushed very hard on fixed-line broadband roll-out and had Project Stratum. Everybody thought that that was a great idea, and it was, but we seem to have had a reluctance, for instance, around 5G, and we cannot fathom why that is. Maybe there were challenges back—"There is not market failure", and so on—but the economics were not easy for the providers and operators there. If we take the commonsense view and take a small punt—if it can even be called a punt—and actually put some of that infrastructure in place, that is vital.

Rob's points about infrastructure and connectivity are vital in drawing in the SMEs and companies that are in those more rural economies. Some are bigger than you might think, particularly in Mid Ulster, west of the Bann. They are actually quite sizable, but still disadvantaged by some of that. Infrastructure is a piece.

Stuart has spoken to skills very eloquently. There are ways through the research and innovation, if the funding calls are structured in the right way and we have the city and growth and innovation assets, that we can draw them in. We are seeing that already through the nature of some of the calls, including—I will put it on the record—some cross-border initiatives with PEACEPLUS, which are very targeted at companies in the border regions of both Northern Ireland and the Republic of Ireland, and drawing synergies through. Some of this is within our gift. It is not all easily solvable, but, if we have an overall coherent narrative of what we are after, we might have a bit more risk taking. We are lacking that narrative.

Q26 **Katrina Murray:** To expand on that, are the specific needs of Northern Ireland being met in the industrial strategy?

***Stuart Anderson:*** I will come back to the initial question around where Northern Ireland is in terms of industrial strategy or economic strategy, call it what you will. It is our No.1 overall ask, as an organisation, of the Executive that they would develop an economic strategy with a long-term outlook. We really need to think about what good looks like for Northern Ireland. There is so much negativity around. There is a real demand on us, and on politicians, to demonstrate leadership in terms of how we deliver through reform to a long-term goal and thinking about how we prioritise the sectors that we talked about. How do we get the most out of them?

To the question of how we manage to ensure that it is reasonably balanced and there is growth right across the region, an economic strategy has to play into that. You are talking very much about the energy needs of particular subregions. What does that look like? How is that shaped? How is that shaped even by the new demands of emerging technologies? In the absence of that, the debate around how the Executive operates in silos will continue.

We have so many opportunities right across the region, with all the city and growth deals that we have, to begin to think about how we join all these up to play to the subregional strengths. If you looked at an economic strategy that overarches and underpins all that, that is something that we can all get behind.

One of the biggest criticisms of the Executive and how they operate is their history of collapsing and political instability. If you look at our structures, we have, potentially, with the right approach, the ability to look at it as having the same people in Government over a prolonged period. You look at the US as a very obvious case in point, where you have really big shifts in public policy, which causes issues around business confidence. If we start to take a more positive, pragmatic look at the way our structures operate, is there potential to build business confidence through an economic strategy that parties today agree to that are potentially likely to be in power as a result of our structures?

Q27 **Mr Kohler:** Excuse my ignorance. David, there was something you said about 5G. What is the coverage of 5G in Northern Ireland?

***David Quinn:*** I cannot reliably tell you what it is off the top of my head, but it is pretty poor and patchy. I know that at least one of the big operators is looking at rolling out pilots in some selected areas where there are, for instance, industry parks. Those industry parks can connect to businesses outside that, but also to public sector. It is looking at Belfast, Newry, Derry/Londonderry and the Portadown-Craigavon area, but the roll-out is still relatively poor. We can get you a stat on that.

We know that from speaking to the operators and from their frustrations, if I am honest, even in leveraging some of the city and growth deal funding. That is starting to move. I at least want to put that on the record. We are starting to see signs of movement in that, but, to Paul’s earlier point, it is taking too long to get to this juncture.

Q28 **Mr Kohler:** What can we do as a Committee to push that? What do you need UK Government to do?

***David Quinn:*** Perhaps this feels like an off-the-cuff answer, but the innovation and digital money in the city and growth deals comes from Treasury. It is not a bit that is parsed out of the block grant from the

Executive. It is coming from UK Government. We have the Northern Ireland Office in there, if you like, as the representative of UK Government and some of the core Departments from the UK with representatives in Northern Ireland.

There needs to be a joined-up conversation of those with some of the local and regional actors that provide the oversight and governance to the city and growth deals in order to push things along. Some of the governance has been the issue here. We have managed to get ourselves in the way of money that—dare I say it—London has given us. That is why there is a degree of frustration around this.

***Robert Hill:*** To follow up on that, the advanced wireless network report—I mentioned the AWN report—will have those statistics in there for you to see and the recommendations to come out of this. Governments have a very important role, especially the Northern Ireland Government, to champion 5G. It is how you champion it. How you are looking at those reports and recommendations, which are very pragmatic over the next one, two, five and 10 years, is important.

It is also looking at new technologies, such as satellite technologies. You can see how that is changing rural communities around the world. Africa has been quicker to take up satellite technologies than we have, because they did not have anything to start with. It is no wonder that Elon Musk has targeted them first. They are going to be the early adopters.

Northern Ireland can still be a relatively early adopter, but the important thing about these new technologies is that you can be an adopter and a developer. We can work with researchers on things such as Momentum One Zero. We can work not just on the propagation of the signal, but the resilience of the signal, its bandwidth and how you use the satellites.

Those are all things that we can do, but we need local government to act as our champions and to acknowledge that there is an issue. We need our research institutes. They are doing a great job and coming up with world-class antenna design. We also need to work with the operators and ask them what would help with connectivity. As I have said earlier, one of the key disablers to productivity and place will be connectivity. If we do not have connectivity, fundamentally we will struggle.

Q29 **Katrina Murray:** Within that, we have a number of levels of government, whether it be the Northern Ireland Office, the Treasury, the Executive, local government or the city or regional growth deals. What is your perception of how well everybody is playing together to progress this in order to benefit Northern Ireland? It is not even that point about saying, "This is what good looks like". We should be aspiring to excellence.

***Stuart Anderson:*** When it comes to the interaction between the Executive and central Government, there has been some really good work done, particularly around the restoration of the Executive. The five parties have come together around the interim fiscal framework. I know those conversations are ongoing. That is a positive indication of things moving in the right direction in terms of the relationship between the Executive and central Government.

There have been notable challenges with it as well. I sit on the tariff working group in the Department for the Economy, which was set up to deal with some of the challenges arising from US trade policy, particularly the unique challenges that we face in Northern Ireland. The relationship between central Government and the Department for the Economy could have been better. It is getting there, for sure, but the Northern Ireland Office has a really critical role to play in that.

Certainly, when the industrial strategy was rolled out, the Secretary of State and the Economy Minister engaged together on the issue, which was a really positive indication. We need more of that. We also have the new Parliamentary Under-Secretary in Matthew Patrick, who we met at the Labour party conference. He is certainly very ambitious and very keen. It is crucial that his role is utilised as best possible, to build those relationships in particular.

In reference to the industrial strategy, I go back to the point that I made at the very beginning around the policy interventions that are made available under the industrial strategy to GB businesses. There is a job of work to be done by the NIO in unlocking what they are, in first of all being very transparent and clear about what they are, and, secondly, where those gaps arise, mitigating and compensating Northern Ireland businesses accordingly.

***David Quinn:*** I will take a crude analogy. We have lots of musicians here, but we do not really have a conductor of this orchestra. That is possible; whether it is the NIO, or the NIO working in partnership with the Executive Office, there is a conductor or two in there. If we could bring that to bear, we would be able to make a whole step forward from where we are.

***Robert Hill:*** On the science and technology side in Northern Ireland, great progress has been made. For the first time ever, we have a Chief Scientific and Technology Adviser within the TEO, which is Professor Helen McCarthy. She has set up NISTAN, which is the NI Science and Technology Advisory Network. Of course, Helen works across all Departments within Government. There is a voice there. It is how we support Helen in getting the work out.

From a Matrix point of view, we create this evidence base and data that she can articulate nationally, but she is one person. We need everybody to get on board and to work with the TEO and the Chief Scientific and Technology Adviser. It is very important to get our voice heard on the mainland.

***Professor Bartholomew:*** The word "conductor" was used; I would use the word "navigator". There is some complexity, which people do not necessarily know how to find their way around, and some nuances in particular schemes.

It has been pointed out to me, for example, that the national wealth fund has a funding threshold that is quite high—probably higher than Northern Ireland projects would be able to access. I do not know the degree to which that issue has been raised. There could be a lower threshold in Northern Ireland to allow people to access those funds. There is probably a piece of work to do, as you say, to map across all of those, and to look at the nuances and help people, Departments and others to navigate their way through that.

We also should not underestimate the degree to which narrative is really important. The narrative from politicians can make a real difference. All spending that goes on always has an opportunity cost. There needs to be much better articulation that what we are doing is investing. Investment has a return, but it requires a longer-term approach.

Where politics articulates a term that is shorter than it might be to support longer-term planning, which starts with infrastructure, moves on to pump-priming innovation and then moves to scaling, and accepts that there is a scale for that, everybody who believes in the end result can believe in that process and we can work as a coherent entity to reassure the public that this is the right thing to do. That is how we empower innovation to make a positive difference, but it requires a consistent and brave narrative.

Collectively, we could do better in helping politicians to create a space for them to have what might be difficult public discourses because it is about doing the right things for the longer term. For the most part, that is not nearly understood in any public discourse.

***Stuart Anderson:*** If I might, I want to pick up on Rob's point around the role of Helen McCarthy. We have been very clear as an organisation for some time around the need for devolved representation on central Government ALBs and particularly, in this context, the Industrial Strategy Advisory Council. It is really important that we have proper devolved representation on those respective bodies.

There is a Northern Ireland-based representative on the council, but she is not there in her capacity to represent Northern Ireland. She is there to represent the sector. The same applies, whether it is the Trade Remedies Authority or whatever else it may be. It will not cost the UK Government anything, but it will ensure that Northern Ireland can benefit more broadly.

***David Quinn:*** As a little bit of a counterpoint, do not say this all lies at the foot of Government, Ministers and officials. Some of this lies with us as well.

The innovation ecosystem and the trade bodies in Northern Ireland probably need to join up and do more in terms of being at the table, for want of a better phrase, along with some of the key Departments, influencers and decision-makers. That is one of the ways we get our voices heard. That is where we start to unpack what the options and solutions might be to get the industrial strategy playing in the region in a way that overcomes some of the hurdles. It is partly on us to work with others. If our local MPs, this Committee and others can help us, that is brilliant. We are all up for that. Let us do it together. The trade bodies and the universities can also help.

In the hurly-burly of Northern Ireland politics, there is not a lot of long-term planning. Stuart has articulated it nicely. If we could stop the instability, we might have a lot of stability going forward. We need space for some long-term coherent thinking. We are seeing the Republic of Ireland looking at that through its Future Forty. Could we at least do a Future Ten or a Future Twenty? That harks back to some of the earlier part of the conversation.

Q30 **Claire Hanna:** They are all really fair observations, and you are all being quite polite. That navigation and conducting is supposed to come from local government. Devolution is supposed to be about taking that power in our hands, taking resources and schemes from the UK Government and delivering them.

I will always argue for more, but, despite a record funding settlement, we are not investing in skills; we do not have a plan on waste water; and we do not have an investment strategy, let alone an economic strategy. I cannot remember when I last read anything from any Executive, including the Executive that my own party was a member of, that looked more than a year or two in advance. There is a complete failure on co-ordination and long-term vision. I will put that at the feet of the Economy Minister and the First Ministers. Their job is to give some sense of a philosophy of governance and a direction as the Executive.

I just wondered whether any of you wanted to say more about the role of the NIO and in turn this Committee and local representatives. There is a lot of work to be done from within the Assembly. There is a lot of work to be done on reform. We keep coming back to the fact that, when you pull out of Government for a couple of years at a time every three or four years, there are going to be consequences. From my own party's perspective, we are focused very much on reform to prevent that happening.

Do any of you want to say more on what that co-ordination should look like and, indeed, what the potential role of this Committee might be?

***Robert Hill:*** If I look at the adjacent sectors to where I am, what has worked extremely well in aerospace and defence has been the setting up of all-party parliamentary groups within the local executive.

Q31 **Claire Hanna:** Which ones work well? There are lots and lots of them.

***Robert Hill:*** The most recent one for us is the group on aerospace and space. We have recognised that there is a vision that the industry has for the next 10 years. We might not be able to see that on the government side, but industry has a vision. It is our job to lead that as well. What we need is your help. That all-party parliamentary group has worked very well in getting our voice out within local government and nationally in terms of what aerospace and space looks like.

Although you have to be the caretaker and the champions for us, it is incumbent on the industry and research organisations to inform you correctly of what needs to happen. Within that group, we have politicians from around the table, but it is industry that is saying, "This is where we are going. This is where we need your help". It works both ways. I would not just put it all on Government. You need that representation to say, "This is where we are; this is where we are going; here are our issues; and here are our problems".

When that all-party parliamentary group functions properly and feeds back nationally, it works very well. The aerospace and space group is very young, but we are already starting to see dividends. Because Northern Ireland is quite small geographically, we are linked up across academia, industry and Government.

We have the ability to work with the public sector and industry to look at new technologies. I gave an example earlier. The public sector can be a large adopter of new technologies, but it is the industry that responds. If we have a joined-up approach, where an all-party parliamentary group can articulate what is going on within those groups, they can be informed of what the needs are and then the industry can respond. It is really up to us to find support mechanisms to do that.

For me, it is about having a joined-up approach and getting cross-departmental buy-in for what we are trying to do. As industry and research, we need to be telling you what we are actually doing, and then you need to be lobbying on our behalf nationally. That is where I would start.

Q32 **Claire Hanna:** Stuart, do you want to come in? I am going to come back with specific questions for David.

***Stuart Anderson:*** You asked what we think would be helpful for this Committee to do and what would be helpful for the Government to do. You will see from our written submission that, aside from pressing for devolved representation on the various bodies that we mentioned, we would really like to delve into the unique competitiveness challenges for businesses operating in Northern Ireland against what is available in the south.

There is real value in looking at the actual complete picture of the differentials in tax rates, in skills development and investment in skills, in productivity and in the availability of labour more broadly. If Government were able to think about that, they would be able to consider how to unlock those challenges that we are talking about.

Without a focus on the unique regional challenges that we have, we will not realise the potential that the industrial strategy has for Northern Ireland.

Q33 **Claire Hanna:** David, if you want to come in on that, please do, but, in the interests of time, I wanted to ask you about city deals. My colleague and a predecessor here, Mark Durkan, was the early champion of those. He saw them as a way to co-ordinate the extra investment that does not come through the devolved channels. How are they driving economic growth?

I was very excited today to see the new partnership between Queen's and Dundalk Institute of Technology. That is a really exciting cross-border initiative and a real accelerator of the Dublin-Belfast economic corridor. We do not talk an enormous amount here about north-south potential in the way that we should. Are we properly looking south and to the island economy as well?

***David Quinn:*** There was a double or triple question.

**Claire Hanna:** Yes, it was a triple. You can do it.

***David Quinn:*** I might put a question back, but a more rhetorical one.

**Claire Hanna:** That is not how it works.

***David Quinn:*** We are going to turn the tables here. We are not leaving until we do.

I do not know to what extent this Committee sits down and interfaces with the NIO or the Northern Ireland Executive. I know the economy is a devolved matter, but, if we are not getting where we need to be, what needs to change to get us where we need to be?

You have touched on it very neatly. There is money for Northern Ireland that sits outside the block grant. The tone that I get from sitting around the table with the Permanent Secretaries in Northern Ireland is that we are very keen for Northern Ireland to make sure it draws down both public and private investment. It is really in the interests of the Northern Ireland Executive to think, "How does it lean in very hard on the industrial strategy?". That is what I would say on that point.

On the city and growth deals, there is capital investment for buildings and equipment. Some are further advanced than others. At Queen's, we have all three buildings coming out of the ground. The first one, for advanced manufacturing, is opening next year. We are not waiting until those buildings open to win collaborative projects, to bring funding in, to drive growth and productivity and to get more companies on the staircase of research and innovation. That is already happening.

To a degree, there is a story of challenges and negativity. On a wet winter Wednesday in Westminster, I would like to inject a degree of positivity. With the assets that we have, allied to research and industry, we are well set to be a key delivery partner in the industrial strategy. We just need to harness that and get on with it. We can find ways to overcome the barriers.

They are a strong axis for that interplay with the Republic of Ireland, Europe and beyond. There is undoubtedly an opportunity to bring together clusters in those regions and border areas.

You have mentioned the north-east, Dundalk, Louth, into Newry and up to the rest of Northern Ireland. We are going to reach across, as we are with PEACEPLUS, west of the Bann on through to the north-west of Ireland. We are seeing that moving.

In Queen's, as we have started putting ideas on the table, we have found that there is a very keen interest to listen in Dublin. There are still very clear ambitions around Shared Island. Those do not all play to trade, but they certainly play to research, innovation and infrastructure.

Are we doing enough on it? Not quite, no, but we are on a pathway. We need to push much harder on that, which will benefit all these islands in totality.

Q34 **Claire Hanna:** Paul, did you want to add something to that? Can you briefly touch on what you are doing on a cross-border basis? You have some stuff at Letterkenny, do you?

***Professor Bartholomew:*** Yes, we do work heavily with ATU, not just in Letterkenny, but down to Sligo in terms of biosciences. We have a whole bunch of cross-border projects with ATU and that will continue. We have a focus there.

We attracted funding from the Irish Government under Shared Island for a new building. There was a 15% contribution from us and 85% from the Irish Government. I also brokered the arrangements for them to put some money into health practitioners in order to fill some gaps that we had over a number of years. That has been very successful because we supply quite a lot of the workforce into the Republic as well.

We also have the Atlantic Futures project, which goes all the way down that coast. That concentrates on people who might be a bit more marginalised and unable to access entrepreneurship. There is a lot of investment being made in relation to that.

We have a number of city deals projects up there. We have the personalised medicine one; we have CARL and CIDRA, for AI and robotics. They have always been conceived as being the hub for a cross-border ecosystem. How could they not, given our proximity to the border and our partnership with ATU over there? Those have been very welcomed by all Governments. It is about being realistic about what can be achieved in the north-west on a cross-border basis. It does not make a lot of sense not to consider the cross-border context in that part of the world.

Q35 **Claire Hanna:** Robert, do you have anything to add? What would you like to see in the action plan for the enhanced investment zone?

***Robert Hill:*** That is a good one. For me, it is going to be about, as I said, how we embrace these new technologies. How do we make sure we do not have disparity? We do not want to end up having one part of society that fully embraces the technology and the other half that does not. How do we make sure that happens right across the board?

How do we ensure that our SMEs—I will come back to SMEs again—can make use of any of the structures that come out of this? We need to identify not just the skills gaps, but how we fill the future workforce. When I look at the aerospace and space group, we are all getting grey hairs. We need to have that next generation coming through.

We can articulate what we need. We tend to poach off each other, which is good—people do not leave the sector; we move around aerospace, security and defence or space.

The enhanced investment zones are about creating confidence. I would also highlight the importance of clusters and clustering as a voice for the region. That is where you will get collaboration and where people who may not have worked together before will begin to trust each other.

Along with the enhanced investment zone, it is also about looking at how we can create these clusters, which give confidence to local SMEs that they are not on their own and that they can do more, so that they go after the support.

You need that voice not just nationally but internationally. If you can show that collaboration together, that creates investment. It really does. It creates investment and interest in what we are trying to do as a sandbox or a pilot, not just nationally, but also from international folks. They will look at Northern Ireland as a real place of innovation. It is not just about the enhanced investment zone; it is about investment per se and making sure that people have confidence. You have a major role in this, as has been said. Having political certainty and security is a big part of what happens.

We all have a role to play, but, for me, in 10 years' time I would like to see those clusters grow into absolutely solid coherent units that act as one voice for Northern Ireland. That is where enhanced investment zones can really help.

**Chair:** I would like to thank our panel for this evidence session.