



**Cork
Chamber**
Advancing business together

Joining the Dots

EXECUTIVE SUMMARY

Promoting Economic
Opportunity Between the
UK and South West Ireland

November 2018



**British Embassy
Dublin**

Foreword – Cork Chamber

Ireland and the UK have developed intrinsic trading and business links through years of shared history, culture, drive and vision. For many Chamber members, UK clients, suppliers, partners and friends are a part of everyday life, a norm, a relationship without barriers.

However, it is essential that familiarity does not lead to complacency. We need to be continually proactive to ensure that no opportunity is missed.

There is great optimism and opportunity in Ireland at present. Cork Chamber's quarterly economic surveys consistently indicate business confidence amongst over 90% of members. The 2018 launch of the National Planning Framework (NPF): Ireland 2040¹ and the National Development Plan 2018 – 2027² both align planning and investment in the South West for the medium to long term. The strategies endorse the significance of Cork as Ireland's second city region, positioned for 50% growth, including 125,000 additional people in the City and Suburbs by 2040. The Development Plan assigns €116bn to Cork's development to 2027.

As the leading business organisation in the South West of Ireland, the Chamber represents 1,200 businesses and over 100,000 employees. By collaborating with the British Embassy on this project, we have sought to be practical and reach out to well-placed stakeholders, to use and build on our existing relationships and to test our belief that more can be done to ensure opportunities are proactively identified to the benefit of our complementary economies.

Against a backdrop of geopolitical change and debate in relation to the nature of free trade agreements, it is all the more important to ensure that current relationships are protected, supported, enhanced and promoted. This should be done by fostering new relationships between businesses, researchers and academics. It is not sufficient for representative, diplomatic and state bodies to simply maintain relationships with their functional counterparts. Real and meaningful discussion must be facilitated between business and academic leaders and those who have the capacity to contribute to driving developments.

The UK Embassy are to be commended for their vision, for testing, for challenging and for pushing an actionable and meaningful agenda. Our recommendations are clear and we look forward to delivering.



Conor Healy
CEO, Cork Chamber

Foreword – British Embassy

It gives me great pleasure to welcome the publication of this report. It sets out the strategic ambitions of business in the UK and South West Ireland and offers concrete recommendations for how to promote stronger business partnerships and collaboration.

We in the British Embassy are committed to help delivering them. That is why I appointed the first ever UK Honorary Prosperity Consul with responsibility for the South West of Ireland. We will work together with partners across the region, including in both Cork and Limerick and will be especially mindful of the relevant actions in the Irish Government's 2040 Action Plan.

The ties between the UK and the South West of Ireland have never been stronger. Recent examples of our engagement have included the visit to Cork in June by HRH the Prince of Wales and the Duchess of Cornwall, which showcased some impressive examples of Irish innovation and a series of Embassy-led engagements in Limerick.

Ireland and the UK are key economic partners for each other and open, free trading nations. Total trade in goods and services between the UK and Ireland increased over 16% in 2017. Scientific co-operation too has flourished, Ireland now maintains almost 1,200 collaborative links with UK partners. Furthermore, between 2012 and 2016 over 12,900 research papers were produced from collaborations between UK and Irish researchers. We are determined to ensure that our strong partnership will continue after the UK leaves the EU, which is one of the reasons why we commissioned this important report that identifies important new opportunities.

A special word of thanks is owed to the Cork Chamber of Commerce who engaged with businesses, scientific institutions, local government and representative organisations in the production of this excellent document and its strategic recommendations.

I personally believe that the South West region has an exciting future ahead. I know that this view is shared by the Irish Government. The UK wants to play an active role in helping the development of the region through closer engagement, trade and investment and strong academic partnerships. We look forward to helping deliver on the report's recommendations.



Robin Barnett
HM Ambassador to Ireland

Executive Summary

Through the voices of those interviewed and surveyed for this report, several themes have emerged to inform clear and precise recommendations. Most notably, there is universal agreement that more can be done to actively explore mutually beneficial opportunities and overcome complacency in UK and Ireland relations.



93% of survey respondents envisage future potential for expanded collaboration between the UK and Ireland, with the opportunity of addressing the lack of networks and knowledge gap between both areas as being instrumental in developing collaborations.

The compatibility and scale of economic sectors and the accessible geographies are key factors influencing recommendations in this report. It also shows that diaspora is a further desirable element but that willingness to improve engagement is not conditional on this factor.

A lack of knowledge, and information about the existing networks and support systems to enhance the UK-Ireland relationship was noted by multiple stakeholders. From baseline sectoral or geographic strengths, to niche information, opportunities are not widely understood in either jurisdiction. While there is plenty of information available, it is clearly not being

accessed. For SMEs, time and resources are a huge factor when trawling through relevant information. The added dominance of the current, daily Brexit discourse clouds the perceived opportunity.

While Brexit was flagged as a concern in multiple cases, many organisations in both Ireland and the UK, felt that the businesses in their region were operating ‘business as usual’. There is speculation about potential challenges in the absence of concrete frameworks to govern the future trading relationship and a sense that business must ‘step up’ while governments negotiate future scenarios.

For companies in the South West of Ireland, the UK remains a key target market. It is a source of comparison and best practice learnings in a number of areas, for example, in the provision of supports for start-ups, and is invariably an SME’s first export market. Similarly, Ireland is seen as a logical first step for many UK companies seeking to test their capability in overseas markets.

Focusing on the strengths of compatible sectors is of strategic importance. The confluence of the broad ICT and Financial Services sectors is a notable strength in the South West of Ireland and is mirrored in the UK, in particular Liverpool, Manchester and Leeds. There are active initiatives such as Cork Chamber’s international outreach initiative, Connecting Cork, or the niche focus of groupings such as Pro Manchester, that offer untapped potential. It is pragmatic to work with existing stakeholder groups in these geographies and sectors to promote stronger relationships and trade.

A number of stakeholders cited the ongoing emphasis on creating connections in far afield geographies such as China and the US, often more difficult to access and more culturally disparate than our nearest neighbours. Such global ambition is well placed, yet it must not be at the expense of the quick wins offered on both sides of the Irish Sea. We must be as proactive in neighbouring geographies as we are in those further afield and no longer take one another for granted.

In summary, more can be done. There is an appetite for practical intervention with a sensible programme that creates opportunity now, rather than waiting for political decision-making to define the agenda. A focussed and practical programme that is oriented to be beneficial in all scenarios, can serve to bring likeminded stakeholders together to explore untapped opportunity.



Irish and UK Sectoral Insights

The trading relationship between the UK and Ireland cannot be understated. In a Central Statistics Office, ‘Brexit Ireland and the UK in numbers’³ report, published in 2016, the complete trade relationship between Ireland and UK is valued at:

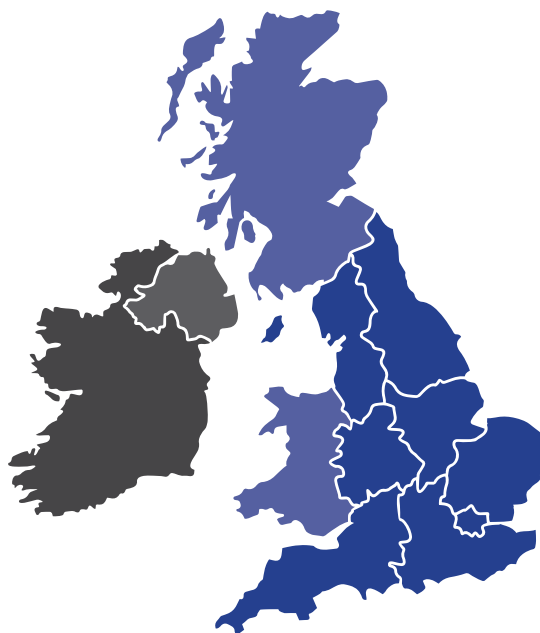
Goods

EXPORT ▷

€15.6 billion to the UK

◁ IMPORT

€18 billion from the UK



Services

EXPORT ▷

€18 billion to the UK

◁ IMPORT

€11.4 billion from the UK

The UK is over three times the geographic size of Ireland, and is home to a highly sophisticated and diverse economy generating £1.96tn in GDP in 2017. Thanks to its scale and diversity, each region within the UK displays multiple sectoral strengths. Given the economic differences between SW Ireland and the UK, the issue of genuine compatibility arises when considering inter-regional collaboration.

To address this the summary profiles found in Annex 1 of the full report set out some of the defining differentiators of the South West Ireland, Wales and the regions of England including the North, the Midlands, South West and South East. A better understanding of both geographic areas and their unique qualities can help to provide opportunity to the UK regions and vice versa. The profiles also serve to boost awareness of activity across regions, anchor stakeholder insights and contributes to informing the recommendations in this report.

Due to the scale and diversity of both the UK regional economy and the economy in the South West of Ireland, it is very likely that opportunities for collaboration are not being fully seized upon, or that the use of existing structured supports could be improved. As already noted, the Finance and ICT sectors are vibrant in both South West Ireland and the UK, and so appear to present a high level of compatibility. As a starting point, the following section specifically sets out insights on the synergies found in these particular sectors.

Focus on ICT and Financial Services

The International Financial Services (IFS) and Information Communication Technology (ICT) sectors in the South West region of Ireland exhibit a high level of development, innovation and scale.

As such, these are likely to be good candidate sectors for collaboration and outreach with compatible UK regions. To provide context the following analysis illustrates the value of these sectors to both economies and explores the potential for collaboration.

ICT in Brief (South West Ireland)

ICT in South West Ireland has a strong presence in cybersecurity, data, software, hardware, communications technology, retail/transactions and cloud computing, with growing strengths in areas such as Augmented Reality (AR)/Virtual Reality (VR) and Internet of Things (IoT). Examples of companies active in Cork include Apple, Dell EMC, Amazon, Eventbrite, Oculus, Alien Vault, and Teamwork.com. Cork is also home to the Nimbus Centre, which is Ireland's largest Internet of Things research centre. There is much optimism in the sector, with 86% of tech companies in Cork expecting to see employee numbers grow in the next three years. Recently, the sector cluster it@Cork received state backing under the Regional Economic Development Framework programme led by Enterprise Ireland. This support will help to increase the emphasis on the ICT agenda in the area, boost the cluster and further policy coordination.

In terms of bilateral trade, Business and ICT services to the UK account for 25% of Irish export services. Conversely, services imports from the UK are predominantly in business, professional and ICT services which represents 42% of total service imports from the UK. These figures show that the current levels of collaboration at national level are healthy and beneficial to both countries⁴.

That said, Irish ICT companies are materially preparing for potential adverse Brexit impacts. Nearly a third of Irish software firms are preparing for Brexit, which is notably higher than general Brexit preparation in Cork, which was recently quoted at levels as low as 6%⁵. The UK is still seen as offering the best near-to-medium term opportunities for Irish firms, followed by the US and Eurozone. Some Irish ICT firms are looking at relocating part of their cost base to the UK to secure natural hedging for any potential negative Brexit impacts, with areas such as marketing, and distribution being selected for such potential moves.

ICT in Brief (UK)

The UK tech sector has grown 2.6 times faster than the rest of the economy, enabled by collaboration and global connectivity⁷. In recent years, the UK's digital economy has seen impressive growth but also faces challenges with Brexit. The UK digital sector includes digital goods, services and digitally enabled transactions of goods and services, audio-visual, ecommerce, telecommunications and data. There is also a broad range of emerging sectors as artificial intelligence, FinTech, Internet of Things (IoT) and cyber security. The UK has thriving digital clusters in Edinburgh, Glasgow, Dundee, Belfast, Cardiff and Swansea, Manchester and across England. Importantly almost 75% of the employment in this sector is based outside of London⁸.

According to TechUK⁹ growth is being delivered across the whole of the UK by tech. Dundee has seen 171% growth in digital turnover between 2011-15; Bournemouth & Poole now have 26% high growth businesses, followed by Newcastle (22%) and London in third (20%). In 2016, 68% of digital tech investment was outside London, showing that tech is leading in balanced economic growth, consistent with the UK Government's own Industrial Strategy.

According to the European Digital City Index 2016¹⁰, London is ranked at number one for start-up readiness, with Cambridge ranked 12th, Bristol 13th, Oxford 15th, Manchester 16th, Birmingham 23rd and Cardiff 40th and with slight variations in the ranking if assessing scaling up readiness. As part of the European Digital Forum, this ranking assesses the strengths and weaknesses of local ecosystems to support digital entrepreneurship and digital start-ups across Europe.

The UK is the leading destination in Europe for inward investment into the digital sector, attracting £6.7 billion in 2016 (50% higher than any other European country)¹¹. The UK's digital sector contributed £118.4 billion to the UK economy in 2015, accounting for over 7% of UK Gross Value Added (GVA). From 2010 to 2015, the sector's contribution to GVA increased by 21.7%, compared with total UK GVA increase of 17.4%. It has also been shown that UK businesses in this sector are more likely to trade internationally than businesses in other sectors¹¹.

Financial Services in Brief (Ireland)

Finance accounts for 18% of Ireland's key service exports to the UK (with 'insurance' accounting for an additional 7%). It accounts for 19% of Ireland's key service imports from the UK, with insurance accounting for an additional 11%, indicating high levels of integration with the UK.⁴

In March 2015, the Irish Government launched IFS2020¹², a five-year strategy for the International Financial Services (IFS) sector in Ireland. The Strategy aims to create 10,000 net new jobs in the sector by 2020. Currently around 30% of those employed in the sector are located outside Dublin and the IFS2020 strategy highlights a commitment by government to grow IFS activity in the regions and in particular to promote regional locations for second site operations to support growth by IFS companies located in or near Dublin.

The development and growth of research and expertise in areas such as blockchain, artificial intelligence, robotics and cyber, are key to the IFS2020 aim of growing Ireland's reputation as an open economy with a strong background in technology, research and financial services.

The IFS sector in Cork has grown over the past ten years, and there is now a significant cluster of companies in the region that represent a broad spectrum of financial services disciplines including: back office processing; fund administration; transfer agency; middle office settlements; distribution and asset servicing; trustee/depository; risk & compliance; financial reporting & audit and asset management operations. Well-known international companies such as BNY Mellon and Citco have long-established presence in Cork, and a series of announcements over the last two years have seen new entrants such as Alter Domus establishing a centre of excellence, as well as expanded operations and the growth of existing companies such as Willis Towers Watson, Clearstream (Deutsche Börse Group) and Apex Fund Services. Indigenous companies in the region such as Global Shares in Cork and FEXCO in Kerry add to the significance of the region in this industry.

The Cork Financial Services Forum was established by Cork Chamber in 2008 to drive the advancement of the financial services industry in the region and strengthen partnerships between industry, education and government organisations. The Forum is comprised of 20 members that represent the depth and breadth of the IFS sector in the Cork region, as well as the third-level educational institutes and the local agencies that support the development of economic growth in the region. The Forum activities are carried out through the Chamber's 'Connecting Cork' initiative, which aims to promote Cork internationally as a location for business and investment.

Key to the success of Cork's regional IFS cluster are the third-level colleges, University College Cork (UCC) and Cork Institute of Technology (CIT). The expertise in research via centres such as the Cork University Business School (CUBS), is leading to exciting industry partnerships, such as the Hengtian (State Street) collaboration with the Centre for Investment Research. Furthermore, the ongoing development of courses in areas of future importance to the finance industry, such as CIT's MSc courses in Artificial Intelligence and Information Security, are growing the pipeline of graduates to fill the future skills needs of the industry.

Financial Services in Brief (UK)

While London remains core to the industry's strong position, importantly around two thirds – or 1.5 million people work outside the capital. After London, major centres with over 30,000 employed in financial and related professional services include Birmingham, Bristol, Edinburgh, Glasgow, Leeds and Manchester. These are followed by Cardiff, Liverpool and Sheffield with between 18,000 and 22,000 in employment. Other centres with over 12,000 employed in this sector include Belfast, Brighton, Milton Keynes, Newcastle, Swindon and Watford. Overall, 21 towns and cities in the UK each have over 10,000 people employed in the sector.¹³

A report produced by TheCityUK¹⁴, recommends “government should facilitate closer links between regional clusters in different countries. In promoting the UK as an international centre of excellence in financial and related professional services, partnering regional clusters and enterprise partnerships between counties should be facilitated through government, the Financial Services Trade and Investment Board (FSTIB) and existing capabilities within firms. Opportunities to broaden the industry's links and sharing UK expertise with developed and emerging markets should take place on the basis of comparable regions or sectors.”

It is interesting to note that the issues and challenges facing the international financial services industry in the UK are very similar to those in Ireland. Primarily, as stated in the aforementioned report, these relate to the disruptive technology being developed and other advancements that are changing the future of the industry, as well as the need to develop the indigenous skills base in these sectors and the importance of diversifying into the regions outside the capital.

One of TheCityUK's recommendations is: “Government, Financial Services Trade and Investment Board, regional promotion bodies and industry – linking complementary regional clusters, and knowledge-sharing through establishing partnerships: Policymakers need to create an ecosystem that is supported by international partnerships and facilitates cooperation between London and the regions and nations...”. This endorses the potential for the South West of Ireland to become an engaged 'international partnership'.

One-to-one Insights

To supplement desk-based research and our understanding of the policy and economic context, in the second quarter of 2018, Cork Chamber conducted in-depth interviews with 37 key organisations, through existing contacts and numerous referrals throughout the UK and South West Ireland to build insights that are representative of business, academic and research.



‘A resounding 93% recognise the future potential of expanding collaboration between the UK and Ireland. Developing connections and collaboration opportunities were identified as instrumental in addressing the lack of networks and knowledge gap between the UK- Ireland regions’.

*Future of Trade (UK-Ireland) Economic Survey 2018, March 2018

UK Regional Insights

“Ireland and Cork need to be better promoted from a Manchester perspective. There are 267,000 financial business and professional services employees in Manchester making it the largest such centre outside of London. With 20,000 in the newly developed Spinningfields area alone there is great critical mass and potential.”

Sam Booth - Deputy CEO, Pro Manchester

“Chambers are the ideal vehicle for private sector engagement, but it must be engagement between the private sector facilitated by Chamber and not simple engagement between Chambers.”

Colin Brew - CEO Wales and North West Cheshire Chamber & Vice Chair of the North Wales and Mersey Dee Business Council.

“Accessing funding and finance, at the right time is crucial in helping businesses develop internationally. Exploring new opportunities via attending brokerage events organised by the EEN is a great mechanism to develop new contacts and partnerships. In my experience many smaller companies do not have the resources to cover international activities, whether that be financial and/or personnel.”

Sunny Claire - Enterprise Europe Network Business Advisor, The Greater Birmingham Chambers of Commerce (GBCC)

“The Southwest of Ireland could do a much better job of marketing what they are good at as there is low awareness in Liverpool. The exceptional cultural and genealogical ties could also be leveraged.”

Elena Enciso - International Trade Manager, Liverpool Chamber of Commerce

“ICT also sees innovation and development unique to North Wales, software for processing and compressing 5G data is being pioneered, while gaming, security, and financial transactions are all areas of speciality. There is not a huge level of engagement with Irish universities unless where programmes facilitate it. The Ireland Wales Fund is a prime example of this with two forthcoming projects in digital tourism that include UCC and Dublin City University. As a regional stakeholder Bangor University can engage on these.”

James Goodman - Structural and Regional Development Funds Manager, Bangor University

“The broader economic issues must not be forgotten while Brexit negotiations continue. Chambers could be a force for good, drawing both sides together. There is strong connectivity via air with Doncaster airport and Manchester airport connectivity to Cork and Dublin. This makes business opportunities very real.”

Martin Mc Kervey - Partner CMS Cameron McKenna Nabarro Olswang LLP, Sheffield Local Enterprise Partnership and Board of Transport for the North

South West Ireland Insights

“We have increased our resources in the UK to help exporting Irish companies to navigate and seize the potential, and we will play a central role to support Irish companies to achieve their export potential and a more diversified approach to the UK.”

Martin Corkery - Regional Director, Enterprise Ireland

“Cork and the South West need to do a better job of promoting itself in the UK. On the flip side, we also need people from the UK to be visible in Ireland, speaking to local businesses and letting them know that the UK is still open for business.”

Siobhán Finn - Cork Innovates Partnership

“Overall, there is a low level of awareness of the USPs of the regions in the UK, and the potential there. It was suggested that a point of contact, or signposting of organisations to contact and/or facilitated introductions would be beneficial as it is such a large area.”

Fiona Leahy - Business Advisor & Training Co-ordinator, Kerry Local Enterprise Office (LEO)

“There are practical advantages to finding UK partners but there has been more of a trend in finding non-UK partners in recent years. There were very good links with Wales in particular with strong exchange programmes. A lot of effort in Cork is focused on the East Coast of the US but not on the UK.”

Gerard O'Donovan - Head of Faculty of Business and Humanities, Cork Institute of Technology (CIT); Dr Helen Mc Guirk- Head of Hincks Centre for Entrepreneurship Excellence, Cork Institute of Technology (CIT)

“The lower level of awareness in general of the UK regions and their sector strengths could be an area for exploration. Added to this, Brexit is having somewhat of an impact with some producers deciding to delay in approaching the UK market, however others are undeterred. More certainty in this space would make a big difference for businesses in considering the UK market.”

Adrienne Rogers - Head of Enterprise, Local Enterprise Office, Cork City

Conclusions

1. It is evident that the policy context is positive for inter-regional collaboration and synergy generation between the South West of Ireland and the UK. Such relevant policies include, IFS2020, Ireland 2040, the theme of Tier 2 cities, TheCityUK report on geographic diversity, and enabling growth across the UK (2018) the launch of the Financial Centres of Excellence initiative. The industrial compatibility context is also positive (ICT and Financial services, imports and exports) as highlighted in this report.

The technological backdrop is also positive for collaboration (e.g. disruptive technologies, Ludgate Hub in South West Cork). Countrywide e-connectivity improvements with progress on the roll out of high speed broadband on a phased basis.

2. The above is coupled with a real appetite among stakeholders to pursue inter-regional collaboration. However, despite the close proximity, a low level of awareness remains among stakeholders about each other's region.
3. The power to convene and bring stakeholders together needs to be exercised. This report highlights disparate stakeholder groups but these are connected with the same common interest of building and maintaining strong relations between South West Ireland and the UK regions.

Local linkages of Chambers of Commerce and networks such as Enterprise Europe Network and others are in place throughout South West Ireland and the UK regions. The Irish diaspora in the UK can play a positive role in facilitation of building relationships.

Better leveraging of such interests would be welcome. For example, funding for collaborations/ convening could be improved and worked upon through the programme of actions identified in this report.

4. While stakeholders need to focus on the practicalities of Britain's exit from the EU, progress towards more impactful collaboration should go hand in hand. Productive collaborations should come to fruition with the right supports in place.



Recommendations

Now 0-12 months: Approach

This report should be leveraged in its own right, as a catalyst for an initial round of discussion and engagement. The starting point for an enhanced programme of collaboration must be to introduce companies from both sides to their counterparts abroad via a programme of events. Events to support this discussion can be created for the sole purpose of this facilitation or take advantage of existing conferences, forums, exhibitions or trade shows.

In this context, a new working group should be formed. This group would comprise relevant stakeholders, whose aim would be to drive the programme forward and ensure that momentum is sustained beyond the publication of this report.

A select geographic and sectoral approach should be the starting point. We identify Manchester City Region, Liverpool City Region & North Wales, Leeds and Sheffield City Region and Midlands as our start point, followed closely by Bristol & South Wales. In this phase we look through the prism of Financial Services and ICT. An attainable series of events designed to yield valuable connections through collaboration with selected partners would also provide opportunity for learnings that can be used to inform the ongoing approach.

Taking a lean approach, even when looking through a sectoral lens, every effort should be made to ensure that academic, business and local government including Cork City and County Council, Kerry County Council and stakeholders and practitioners are catered to in the facilitation of events. The exchange of best practices and review of common challenges such as training, upskilling and sourcing talent in areas where there is a global shortage could provide themes that would be compelling for both groups. Ultimately, the events must be appealing and bring value for the audience.

To maximise the benefit, the initial focus should be on stakeholders that are naturally aligned and interested in both geographies. For example, the diaspora and stakeholders who engaged proactively in this research offer a good starting point. Specifically, the network can be developed to best advantage by focussing on sectors and companies of comparable scale that are aligned with similar interests and goals.

The series should be branded as a programme so that stakeholders are brought on a journey with continuity. Even with initial agreement on issues and a common agenda, it may take considerable time for relationships to yield positive results and bear fruit.

The events programme should blend elements of the following:

- An annual sector-focused exchange, between the specific UK regions, Wales and South West Ireland.
- A speaker series bringing experts in relevant sectors to different locations to speak and exchange best practices.
- Fact-finding missions or reciprocal trade visits between the South West and a few select areas in the UK.

Now 0-12 months: Geography & Sector

Desk-based and primary research through survey and interview indicated that International Financial Service (IFS) and Information Communication Technology (ICT) represent an important part of the economy in each of the relevant areas. Other sectors such as Agriculture and Construction also featured prominently. They are well mobilised and have emerged as areas of strategic focus in the first phase of engagement.

Manchester City Region

- Focal point of the Northern Powerhouse and internationally recognised City Region
- Strong connectivity and dynamic business community
- Opportunity for mutual exchange of best practices and learnings on the development of second city regions as a counterbalance to the capital
- Exceptional strength of IFS & ICT

Liverpool City Region & North Wales/Cheshire

- Strong connectivity and dynamic business community of very similar scale
- Strong diaspora links
- Opportunity for mutual exchange of best practices and learnings on the development of second city regions as a counterbalance to the capital
- Strength of IFS & ICT with a comparable operating environment

Sheffield and Leeds City Region

- Medium level of connectivity but comparable size of business and academic community
- Opportunity for mutual exchange of best practices and learnings on the development of second city regions as a counterbalance to the capital
- Strong connections and appetite among stakeholders

South Wales

- Medium level of connectivity despite close proximity but comparable size of business and academic community
- Opportunity for mutual exchange of best practices and learnings on the development of second city regions as a counterbalance to the capital
- Strong connections and appetite among stakeholders

Birmingham City & Midlands Region

- Opportunity for mutual exchange of best practices and learnings on the development of second city regions as a counterbalance to the capital

Northern Ireland & Scotland

- The potential for impactful links to Northern Ireland and Scotland should be specifically explored during this phase.

See an outline flight connections to the above destinations in Annex 5.

Next 12-36 months: Approach

A consistent thread through one to one interviews was the lack of knowledge about one another's sectoral strengths and the nuances of geography and connectivity. There is a richness of activity across each of the studied areas that is unknown.

The British Embassy should collate and make available existing geographic collateral that provides information in an accessible and useful format. Stakeholders should be kept updated on a rolling basis via a newsletter or similar.

This should include:

- Basic geographical insights
- Sectoral strengths
- Connectivity
- Economic performance indicators
- Partnership opportunities
- Development opportunities

The potential for second tier city collaboration should also be explored. For example, bringing together stakeholders at a second cities or urbanism conference, or together in the promotion of second city opportunities at a platform such as the global property exhibition MIPIM could be catalytic for long term relationship building based on mutual understanding and goals.

To boost strategic and ongoing activity, the introduction of a full or part-time resource, based in the region, dedicated to supporting the UK-SW Ireland relationships should be explored . This resource would work closely with existing networks, such as the Chambers, Enterprise Europe Network, it@cork and other local stakeholders, to identify opportunities and manage a programme to support and grow the relationships via targeted activities.

Next 12-36 months: Geography & Sector

In this timeframe the following areas should be further explored by virtue of there being some existing legacy relationships and/or their economic compatibility.

Birmingham – Existing Joint Smart Cities initiatives in place

Coventry – Existing twinning relationship to be developed

The Humber Region – Strong marine economy parallels but limited access and less practical geography

Agri-food sector

Ireland's agri-food sector has deeply entwined business and trade relations with the UK. The UK market is by far Ireland's most important export market even despite growth in new markets. In 2017 agri-food exports to the UK totalled € 5.2 billion (38%) while imports were €4.1 billion (48%) with a trade surplus of over €1 billion¹⁵.

The Irish food sector's exposure to the UK market is larger compared to other sectors of the Irish economy. It is almost always the first export market for SME food and drinks producers in the South West region of Ireland and beyond. This two way flow trade flow between Ireland and UK comprises raw materials, ingredients and finished products and takes place internally within companies as well as between businesses¹⁶.

Alongside specific measures to manage any change in trading relationships, Ireland's food board - Bord Bia notes that Brexit will demand a nuanced and concerted response from every level of the food industry. It will require new skills, new approaches and new thinking and a deepening and growing of customer relationships¹⁷.

It is recommended that the food and agri-sector should be actively explored through the networking created in the Now to 12 months window and possibly through a subsequent report commissioned by the UK Embassy.

Construction sector

The construction sector may be explored through the networking created in the Now to 12 months window and actively explored through a subsequent report commissioned by the UK Embassy. Worth £125 billion to the UK economy in 2018 and contributing almost 10% of GDP, it is a solid sector employing about 10% of the working population¹⁸.

Through continued investment in infrastructure post 2007 the sector avoided the dramatic crash seen in Ireland. Conversely in Ireland and the South West the sector is growing to meet pent up demand across all facets of the sector.

The value of construction output across the Republic of Ireland (ROI) rose by circa 18 per cent in 2017 and is expected to increase by 14 per cent to approximately €19.5 billion in 2018¹⁹. Attraction of talent in the sector is a top priority reflected in the active participation of the Construction Industry Federation on the South West Skills Forum. The sector must continue to scale to sustainable levels of activity in both infrastructure and housing.

Future 36 months onwards: Approach

At the 36 month mark, the most fundamental action is to review all of the previous activity, taking stock of learnings, the geopolitical climate and the appetite for continuation. The recommendations for months 0-36 are sound, based on stakeholder feedback and the knowledge and experience of the Chamber and Embassy but they must be tested and scrutinised due to the rapidly evolving environment in which they take place.

There could be merit in catering for academic and business in a distinct fashion, with a separate approach for each grouping. For example, there could be greater networking support for UK/Irish academic and research institutes to help maintain and stimulate continued collaboration in RDI projects, given that there is already a reduction in the number of EU project applications that are including UK partners.

Beyond R&D this could still tie back to industry through the development of joint teaching programmes between the UK and South West Ireland, whereby sector experts on both side act as visiting speakers/lecturers. The value add of this approach would have to be assessed at this time.

Future 36 months onwards: Geography & Sector

At this phase the success of outreach in each geography and sector to date should be analysed. It may be necessary to pivot to a new areas and industries or to simply reinforce current approaches.



Recommended Programme of Work

The following programme of work is designed to ensure the recommendations in this report translate into actions. However, it is not definitive and will inevitably evolve to garner further support beyond the agencies and actors listed. There is a strong appetite to deliver a programme that meets the aims of this report, to find efficiencies and opportunities which can be made through ongoing collaboration.

2018

November: Launch report with Senior Irish Government & UK Embassy backing in Ireland. Invite UK stakeholders & relevant leaders from ICT & Financial Services. Also launch programme which follows through on report findings.

Delegate itinerary to include touring of relevant facilities and opportunities.

Action owner: Chamber & UK Embassy to coordinate

November: Appoint a Chair to drive forthcoming UK Irish programme and set up tight working group to drive sustainable stakeholder engagement.

Action owner: UK Embassy

2019

Q1/2:

Present report to Northern Powerhouse Partner Programme, with combined SW Ireland NP delegation. Use this opportunity for UK PR and outreach.

Action owner: Chamber, UK Embassy & Irish Government and Agency involvement

Specific event with thought-leading economists, business people and academics discussing the future of ICT & Financial services. This would be in a Northern Powerhouse City Region.

Delegate itinerary to include touring of relevant facilities and opportunities.

Action owner: Cork Chamber & UK Embassy with appropriate supporting partner

Q3: Northern Powerhouse Delegation to SW Ireland hosted by Chamber and regional stakeholders. Specific B2B networking opportunities as a focal point.

Action owner: Northern Powerhouse UK HM Government with support of Irish partners

Q3: Commence work on Cork/SW Ireland prospectus outlining economic value, niches, available supports, opportunities and highlighting what is happening in each region. UK Embassy to collect and collate information on UK geographic opportunities.

Action owner: Cork Chamber

Q3: Identify appropriate platform to launch prospectus such as International Festival for Business 2020 in Liverpool. Ensure there is ample supporting opportunities for meaningful B2B interaction.

Q3: Explore permanent appointment in SW Ireland to manage coordinate and drive programme beyond the inception phase outlined.

Action owner: UK Embassy with Cork Chamber as host organisation

Q4: Specific event with thought leading economists, business people and academics discussing the future of ICT & Financial services. This would be in a South Wales/UK City Region such as Bristol.

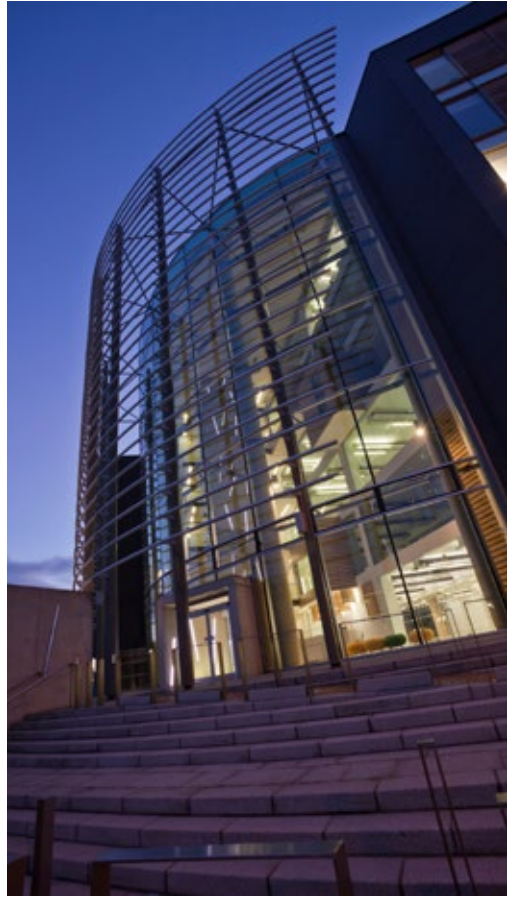
Delegate itinerary to include touring of relevant facilities and opportunities.

Action owner: Cork Chamber & UK Embassy with appropriate supporting partner

2020

Q1:

- Appraise and build on existing networks built in 2019
- Commence outreach to geographies beyond the Northern Powerhouse & South Wales/ Bristol
- Commence outreach to sectors other than Financial Services & ICT
- Commission a food & agri specific report
- Commission a piece on Scotland/ Northern Ireland
- Identify best opportunities for programme of ongoing events





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