

RESPONSE IN NORTHERN IRELAND

Several sectors, businesses and institutions have called on Central Government via the NI Executive to offer aid and support to N Ireland businesses, entrepreneurs, communities and individuals. Whilst the NI Executive does provide the potential for local resources to be directed to specific issues, its powers are limited as much of the problem is at the macro-economic level.

- The NI Executive has been endeavouring to enlist the support of the banking sector to develop initiatives to support local industry business and customers. One of the issues is the extent to which interest rate cuts are passed onto the customers.
- The Executive announced a £70m economic aid package in mid December which included
 - 100,000 households will get £150 cut in electricity bills benefiting those receiving income support and pension credit
 - A one year freeze of a planned rates increase for businesses will be followed by a rates relief scheme for small businesses
 - Building projects worth £115m, including schools will be advanced to boost the construction sector and should go to tender by March
 - £30m investment in farms, school maintenance and roads
 - £5m investment to boost DSD Housing programme
 - 10 day target for public sector bodies to pay small businesses

CBI, FSB, NI Independent Retail Association and NI Manufacturing all welcomed the package to a greater or lesser extent.

The CBI state that the freezing of non-domestic rates for 09/10 will lead to savings of £8m for the business sector.

The mid December announcement of 10.8% reduction in electricity tariffs and a 22.1% fall in Phoenix Gas rates. However consumers will still be faced with 35.5% increase in electricity over the last year and with 8% increase on gas.

- Invest NI have produced their response to the economic crises which comprises some new initiatives, new product offerings, tailoring existing support mechanisms and enhanced monitoring awareness and advice. Examples of support include a series of focused practical seminars in key areas of financial and cash management, improving internal efficiencies, supply chain management and securing extra sales outside NI, free diagnostic support for 3 to 5 days and a £5m accelerated support fund.
- A new website has been set up by the IOD – www.nicrunchtalk.com to encourage companies to seek advice and share practice on how to face the economic difficulties.

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