

Summer Update 2016



Welcome to the Summer 2016 edition of our stakeholder update.

In this edition we provide an update on our performance, hear from Alastair Hamilton on his views following the EU Referendum, give an update on the Northern Ireland Year of Food and Drink 2016, and highlight our promotional campaign for the introduction of the new lower rate of corporation tax.



2015-16

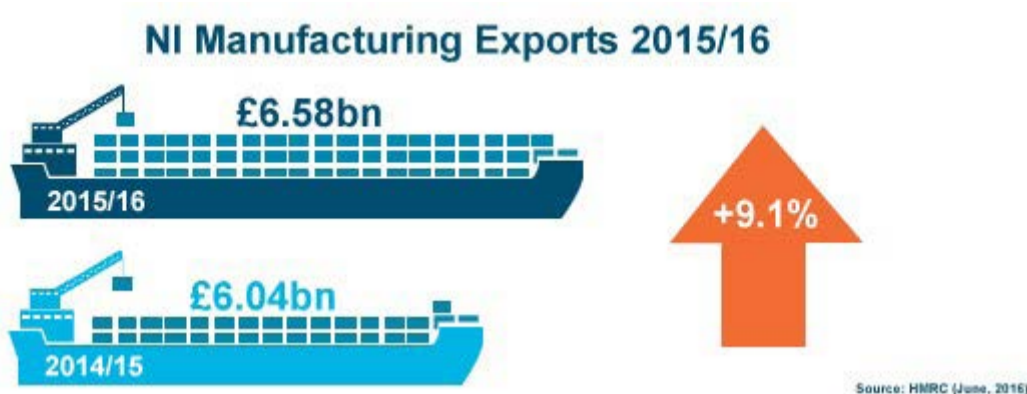
End of Year Results



The Programme for Government was extended by one year, and Invest NI was set a series of one-year targets by the NI Executive. These targets built on the performance of the previous years, and recognised the changes that had taken place which limits the support that Invest NI is able to offer large companies.

2015-16 Performance

- 5,500 new jobs promoted, against a target of 4,000
- £341m employment related investment, against a target of £220m
- £70m investment in R&D, against a target of £45m
- £10m of loans made through the Growth Loan Fund, against a target of £10m
- 9.1 per cent growth in manufacturing exports from 2014/15 baseline against a target of 3 per cent



During 2015/16 our support **helped businesses promote 5,500 new jobs** across Northern Ireland, exceeding our target by nearly 40 per cent.

68 per cent of our support for job creation was to locally owned companies. We helped support a number of local businesses with significant expansion projects, including a **£6.8m investment by Cookstown based CDE Global**, creating 110 new jobs, a **£4m investment by Bloc Blinds in Magherafelt** with 93 new jobs to be created over the next three years and 87 new jobs by McAuley in Ballymoney.

During 2015/16 **6,700 jobs were created** as a result of our support for projects in previous years.

Helping attract new investors to Northern Ireland is another key part of our strategy to support the growth of the local economy. According to the **fDi Intelligence report European Cities and Regions of the Future 2016/17** Northern Ireland has the highest FDI jobs per capita of all UK regions.

During 2015/16 we welcomed 20 new foreign investors to Northern Ireland, including US owned **OneSource Virtual** to Londonderry, with plans to create 289 new jobs by the end of 2017, and 320 jobs in Craigavon by Republic of Ireland based **Eishtec**.



Where new jobs are being created is often a focus, with a misperception that more jobs are secured for Belfast than elsewhere in Northern Ireland – however, the evidence is that this is anything but the case. For the last five years, consistently more jobs have been promoted outside Belfast than in. This year, 78 per cent of the new jobs that businesses plan to create are outside Belfast, the highest percentage for the last five years.

78%

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Alastair Hamilton, Invest NI, with (L – R) Michael Hollingsworth and Gerald Hanweck, Hanweck Associates.



It is true, however, that Belfast is seen as a hub for certain sectors – such as technology and software development. According to FT fDi Markets, **Belfast is the number one destination globally for financial technology investment, and is Europe's leading destination for new software development.** As a result this year we have seen a number of new US investors choose the city as the base for their European operations, including cyber security firm **Alert Logic**, financial services technology company **Hanweck Associates**, and most recently digital publishing platform **HighWire** which announced its plans to establish its Technical Support and Development centre in Belfast creating 74 new jobs.

Supporting business growth

We also provide advice, guidance and financial assistance towards investment in research and development, the development of skills within an existing workforce, and towards activity that will help increase exports.

During 2015/16 we helped secure almost **£40m of investment in skills.** One example of a significant investment in people is the nearly £9m investment in a skills and development programme by **Moy Park**.

Investment in research and development, and wider innovation, is also crucial to meeting the ever change needs of the customer, and to being able to compete in a global market. During 2015/16, our support helped secure **£70m of investment in research and development**, surpassing our target by 55 per cent.

Local company **Brookvent** is an example of a business with a long history of new product development. It has availed of our support to help develop products to reach new markets, growing its customer base.

Northern Ireland manufacturing exports grew by 9.1 per cent in 2015/16, **out-performing the other UK countries**, and exceeding the 3 per cent target.

One of our largest exports is **food and drink**, and in 2015 accounted for £1bn of exports from Northern Ireland. Northern Ireland's reputation for the quality and provenance of its food is seeing our local produce in demand in countries such as China and the United Arab Emirates, as well as across Europe.

Through our **Access to Finance** funds we have helped a wide range of companies access much needed funding to either start their business, or invest for growth. In the past year 177 deals, with 166 individual businesses, delivered total investment of £30m.

Invest NI Access to Finance Solutions

A Risk Capital funding continuum – from start-up to development capital up to £3m



We also introduced two new funds, the **Agri-food Loan Scheme** and the **Sustainable Utilisation of Poultry Litter** scheme, this year. These funds are to specifically support the agri-food sector and have made four deals amounting to £9.6m.

2016/17 Interim Targets

While the Executive finalises the detail around the new Programme for Government, an interim set of targets has been agreed for Invest NI which will provide focus to its work to support business and economic growth.

- 4,000 - 6,000 new jobs promoted
- £100 - 170million investment in R&D and wider innovation
- £30 - 40million investment in skills

In addition, a target to grow exports for 2016-17 will be set shortly.

Announcing these targets, Minister Hamilton said: **“These targets include stimulating employment opportunities by supporting businesses with projects that will promote between 4,000 and 6,000 new jobs. Between 2,600 and 3,200 of these jobs are to be from indigenous business growth. Other important measures will be to encourage increased investment in skills, R&D and wider innovation to ensure businesses remain competitive in a global market and identify and exploit opportunities to grow their sales to markets outside Northern Ireland.”**



Invest Northern Ireland Chief Executive Alastair Hamilton shares his views following the EU Referendum

The outcome of the EU Referendum, with a decision to leave the EU, has caused many to ask questions about Northern Ireland's future as an investment location. Some too have even gone as far as to say that Corporation Tax is at risk and the role of Invest NI is in question. However now is the time for a clear head, a clear plan and a clear message.

All of the factors which have made Northern Ireland a good place to start, invest and grow a business remain as true today, following the Referendum result, as they were before:

- Northern Ireland is a great place to do business with a top ten, global, business friendly city.
- Northern Ireland has some of the most highly-skilled people, amidst a global shortage of talent.
- Northern Ireland is a cost effective location for investment.
- Northern Ireland has businesses which lead the world in their field.
- Northern Ireland businesses have products and services that are in demand in export markets.
- Northern Ireland remains a prime location to access the UK market – a sizeable and important market for investors.

Having seen the number of new investors grow by 40% over the past five years, we are confident that Northern Ireland will continue to succeed as an attractive location for investment, in particular from our largest target market, the USA. Our highly educated people, and our cost effectiveness, are the two main themes of our sales message, and it is these two factors that have attracted the majority of investors over the past few years. They in turn, serve their home markets in USA, so EU market access is not an issue. This is the message that I will continue to deliver in the USA this week as I meet with potential new investors.

The reduction in Corporation Tax will play an invaluable role in creating a business-friendly environment to support job creation, based on the combination of tax, talent and value. The commitment to reduce the rate of Corporation Tax forms part of the Fresh Start Agreement, is part of the Programme for Government, and is key to the NI Executive's plan to realise the goal of rebalancing our economy. It was not dependent on the results of the EU Referendum.

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Looking at the future of our exports: as the EU sells more to the UK than we do to them, we are positive that mutually beneficial trading arrangements will ensure continued access to the EU market, whilst also having the freedom to develop new bi-lateral agreements in emerging markets and other geographies.

And as to the question over Invest NI's role and services? Clearly we have a big job to do, helping businesses in export markets all around the world and increasing our sales and marketing effort to continue to grow investment and support job creation. It is important to remember that the majority of our funding is not drawn from EU sources, so we will continue to utilise every tool available to us to deliver the support businesses need to grow and we will fully explore all potential new opportunities that may emerge following the Referendum result.

Alastair Hamilton
Chief Executive, Invest NI

2015-16 Performance

We publish information on our performance twice a year which tells you how we have performed against the targets set for us by the NI Executive.

It reflects how we are supporting businesses to create jobs, invest in R&D and skills, and grow their exports.

The information below covers the last five years, April 2011 to March 2016, the last Programme for Government period. This information will be updated following mid-year and end-year points, once the data has been checked and confirmed as correct. This will usually be ready in November and May of each year.

Guide to our performance

To help you understand this information, here are some important things to know:

- Jobs promoted' are the jobs a company intends to create at the start of a project.
- It can take, on average 3-5 years for a company to create all jobs.
- Jobs created' are the jobs actually in place at a specific point in time.
- Jobs promoted in a year and jobs created in the same year cannot be directly compared.
- The geographical spread of our support is dependent on where the businesses that seek our support are located, it is not allocated or directed to specific areas.
- It is natural to see higher levels of support in areas in the east where 65% of businesses are based, and in areas where there are higher concentrations of businesses, like cities.
- We report on the amount of money that we have offered businesses at the start of a project. This money is only paid when a business can demonstrate it has met the conditions of our offer – e.g. when jobs are actually in place. In some cases businesses may not receive all the money we offer.

2011 - 2016 Performance

New Jobs Promoted



Employment Investment



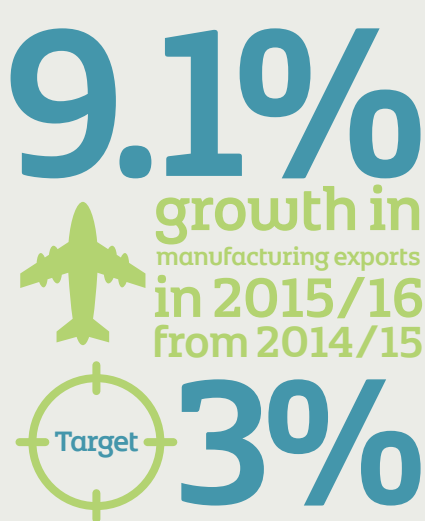
Investment in R&D



Growth Loan Fund



Manufacturing Exports



New Jobs Created



Our achievements during 2011-2016 have benefited the whole of Northern Ireland, delivering a return of almost **£6 of investment in our economy for every £1 of Invest NI support**.

Regional Breakdown 2011-2016

We have also provided a regional breakdown of this information by the **11 council areas**; and by Parliamentary Constituency. **This will be updated at the end of each financial year, usually in May.**

It is important to note that the information provided relates to the support we offer direct to businesses. In addition to this, we offer money to External Delivery Organisations (EDOs) and universities, who help administer some of our schemes – for example, NI Screen which supports the development and growth of the digital and creative industry. These organisations are specialists in their field and distribute this support to businesses across the whole of Northern Ireland.

Council Breakdown

To access the area profile (PDF) for a council click on the specific region of the map you are interested in.



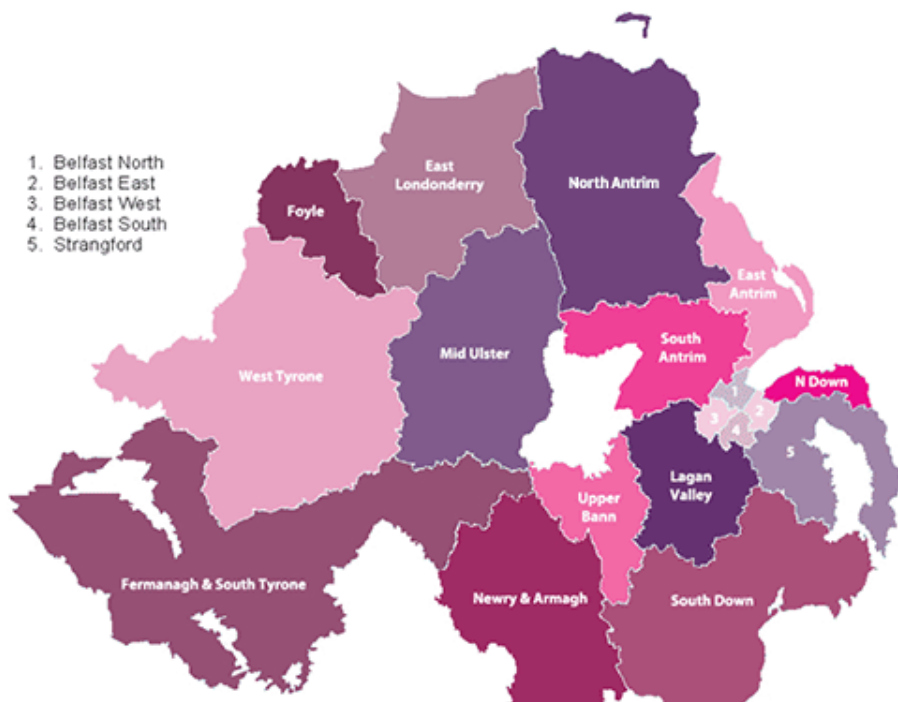
You can also view the area profile (PDF) for a council by clicking on the region you are interested in below.

- [All of Northern Ireland](#)
- [Ards & North Down](#)
- [Armagh City, Banbridge & Craigavon](#)
- [Belfast](#)
- [Causeway Coast & Glens](#)
- [Derry City & Strabane](#)
- [Fermanagh & Omagh](#)
- [Lisburn & Castlereagh](#)
- [Mid & East Antrim](#)
- [Mid Ulster](#)
- [Newry, Mourne & Down](#)

[District council area source data \(XLS\)](#)

Parliamentary Constituency Breakdown

To access the Invest NI Support (PDF) for a council click on the specific region of the map you are interested in.



You can also view the Invest NI Support (PDF) for a parliamentary constituency area by clicking on the region you are interested in below.

- [Belfast East](#)
- [Belfast North](#)
- [Belfast South](#)
- [Belfast West](#)
- [East Antrim](#)
- [East Londonderry](#)
- [Fermanagh and South Tyrone](#)
- [Foyle](#)
- [Lagan Valley](#)
- [Mid Ulster](#)
- [Newry and Armagh](#)
- [North Antrim](#)
- [North Down](#)
- [South Antrim](#)
- [South Down](#)
- [Strangford](#)
- [Upper Bann](#)
- [West Tyrone](#)

[Parliamentary constituency area source data \(XLS\)](#)

Corporation Tax

2018
%
2018
2018

As part of an advertising campaign to raise awareness of Northern Ireland as a great place to do business in the run up to the introduction of the new lower rate of corporation tax in 2018, Invest NI has developed a new TV ad.

Primarily for use in international markets, the ad is currently running on a number of US TV channels including BBC World News, CNBC, CNN and Bloomberg as well as YouTube. It forms part of an integrated advertising and marketing campaign across a range of platforms and shows how **Northern Ireland offers Altogether More for businesses** – the right combination of talent, value and tax as well as an excellent quality of life.

Want more from an investment location



Want more from an investment location?
Northern Ireland offers altogether more for
business...

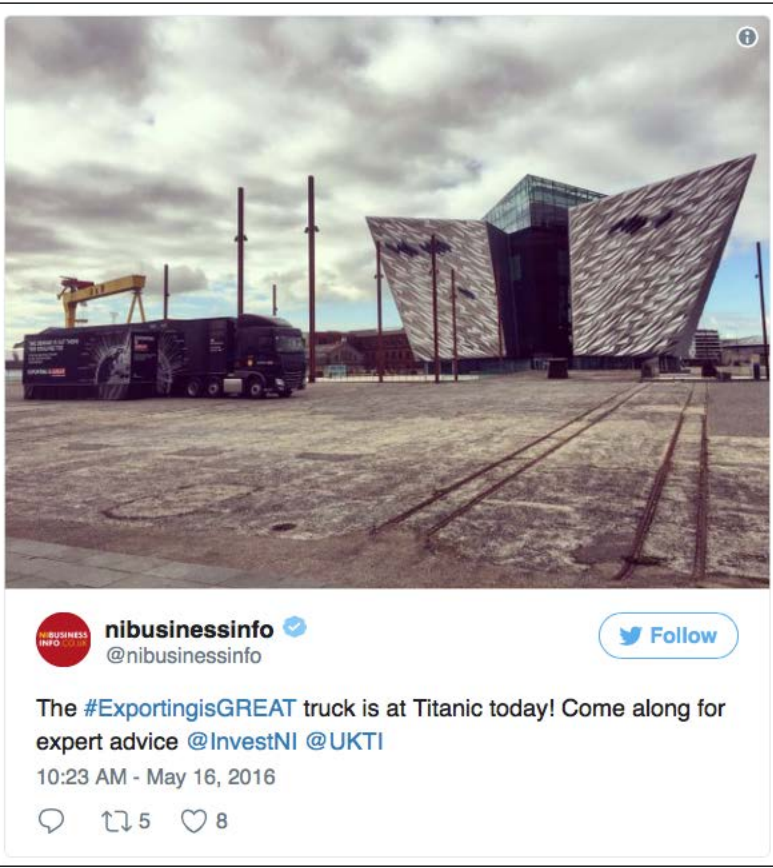


As part of the Exporting is GREAT campaign, the Export Hub touring truck visited Northern Ireland from 16 - 20 May during a UK wide roadshow.

Exporting is GREAT is the UK government's most ambitious export campaign ever. It aims to inspire and support 100,000 additional UK exporters to sell their goods and services overseas by 2020. The campaign's mission is to turn the UK into the world's greatest exporting nation, capturing the imagination of the public, boosting business confidence and empowering more UK companies to go out and succeed in global markets.

The Hub went on the road visiting:

- Titanic Slipways, Belfast
- The Lakeland Forum Enniskillen
- Ebrington, Derry~Londonderry
- Junction One, Antrim
- The Outlet, Banbridge



The roadshow offered local companies, either new or current exporters, the chance to get export advice from advisors from Invest NI and **UK Export Finance**.

Companies also took part in seminars which offered practical advice on what they should consider when exporting and advice on how they to find customers overseas for their products and services.



Northern Ireland's Export Ambition

Growing the Northern Ireland economy through increasing exports and external sales is the key aim of the NI Executive's **Export Matters Action Plan** which was launched in March 2016.

The ambition is to grow the value of exports and external sales outside NI by 80% by 2025; and increase the number of local businesses engaged in sales outside Northern Ireland.

Exporting is GREAT

The Exporting is GREAT campaign specifically aims to highlight the world of opportunities out there for UK goods and services.

The Exporting is GREAT website is exportingisgreat.gov.uk and includes access to live export opportunities—organised by sector and market.

Over 6,000 export opportunities have been listed since November 2015. This equates to 40 new opportunities every day.

Opportunities have come from 109 countries and 44 different sectors, including the chance to sell tea to China or cheese to France. They also highlight a Spanish demand for UK deckchairs and a Finnish thirst for British beer.

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Demand for Northern Ireland products and service

No one can argue against the need for export-led growth. From January-December 2015 Northern Ireland manufacturing companies exported £6.31 billion to countries around the world. This was a 5.9 per cent increase on the previous year.

Northern Ireland products and services are in demand around the world and many Northern Ireland companies are already making great strides in markets around the world.

For example **CDE Global** recently made great strides in Kuwait signing a significant contract to supply its modular sand washing plant to ASCO, **Antrim Hills Water** is exporting its Water Within to Dubai, **Mackle Petfoods** is selling its petfood in the Netherlands, **Plotbox** has just signed its largest contract in the US to provide its online Cemetery Management System and **Cunningham Covers** recently secured a £700,000 contract in Great Britain.

Invest NI export support

Invest NI also has a full range of measures to help local companies increase their sales abroad through a comprehensive programme of **trade missions and exhibitions** each year. There is also a wealth of information available to you on our website – nibusinessinfo.co.uk

Purchasing Managers Index

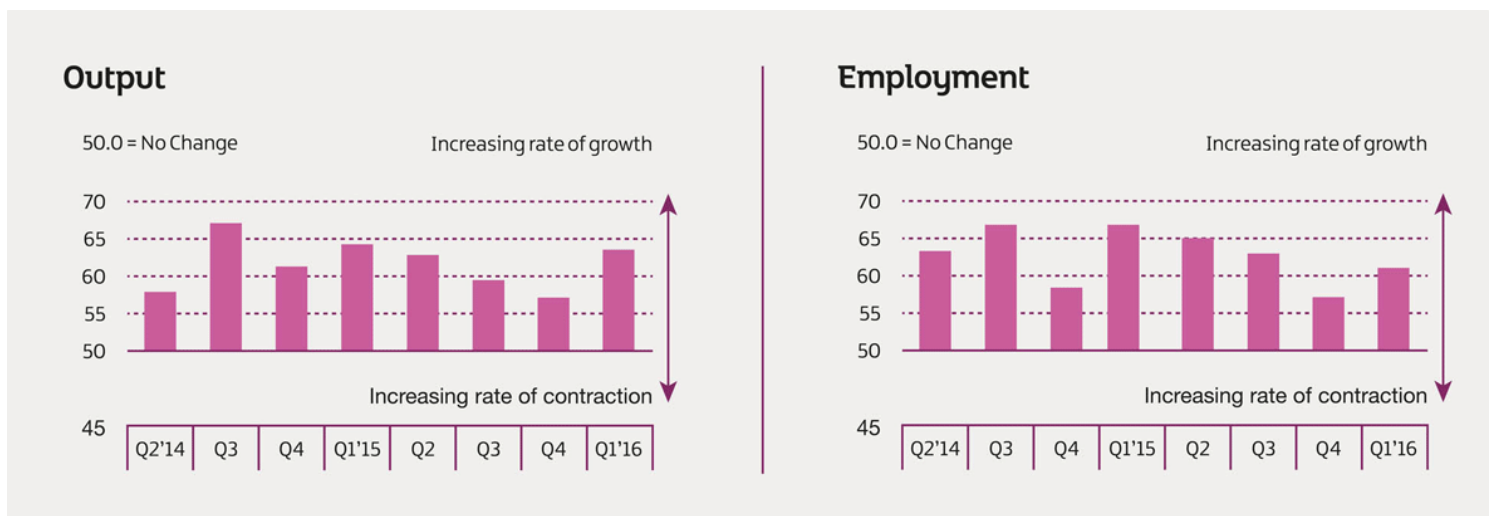


The Purchasing Managers Index (PMI) is a recognised means of monitoring sentiment amongst businesses to provide an indication of what is happening in the economy.

Using a panel survey of Invest NI supported businesses the **Invest NI PMI** tracks changes in business conditions and activity. It tracks **business output, new orders, employment and prices.**

Growth and a positive outlook to start 2016

Output and employment accelerated amongst Invest NI supported businesses in the first quarter of 2016 following a slowdown in the second half of last year. Looking back, a two year period of expansion has now been achieved since the survey started in 2014. Over this period, the rate of growth amongst Northern Ireland supported businesses has been consistently stronger than the Northern Ireland private sector as a whole.



Encouragingly, 82% of businesses expect activity to expand in the next 12 months, compared to only 5% who anticipate a decline. Improving economic conditions and higher demand are expected to feed through into higher output over the year.

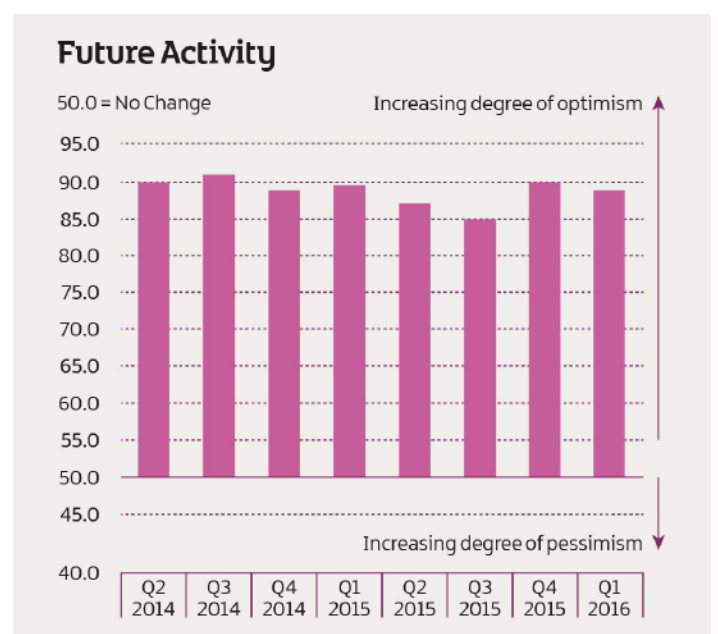
Commenting on the survey results, David Roberts, Invest NI's Economist said: "The latest PMI results suggest a healthy level of optimism for the NI economy over the next few months. New orders are up as is new business from overseas, albeit not as strongly as in markets closer to home. Sustained marketing and sales activities are paying off.

"Companies reported that cost pressures remained substantial, although more firms reported being able to raise prices than in 2015. More expensive imports and higher staff costs were highlighted as the two key cost factors. Whilst sterling's recovery against the euro in the last month or so will have eased some of this pressure, competition to attract and retain high quality staff remains high. The need to expand the pool of individuals with the right skills and experience across a number of sectors in Northern Ireland remains as important as ever.

"The other key feature of the quarter one results is the very strong optimism regarding future growth prospects. The past few months have seen high profile closures/job losses being announced at JTI, Michelin and Bombardier. Whilst these announcements are difficult for everyone involved, the PMI results highlight that job prospects are brighter across a broad range of firms. Three in five of the firms completing the survey are in the manufacturing sector. Invest NI will continue to work closely with firms in both the manufacturing and the service sectors to ensure that the growth projections are realised".

Author: David Roberts
Invest NI Economist

Improving economic conditions and higher demand are expected to feed through into higher output over the year.





Customer focus is at the heart of Invest NI's values and we are committed to providing our customers with a quality experience.

Customer satisfaction levels at 85%

In March we asked over 440 customers who we work with most closely how satisfied they were with Invest NI. At 85%, overall satisfaction remained consistent with the high level of last year however over the past four years **those claiming to be 'very satisfied' has increased to an all-time high of 56%**.

The Invest NI Customer Satisfaction Survey takes place each March and asks customers how they rate our team of people, quality of services, communications, application and claim processes. We also discuss with our customers what they would like to see improved and these **results feed into improvement activities in the business.**

2014's survey highlighted that customers wanted to see improvements in both our application and claim processes. In August 2015 we **launched a new single claim form**. We also concentrated on simplifying some of our claim activities including a simpler vouching process for claiming labour costs as part of a **Grant for R&D**.

2015 saw an upward trend in satisfaction with the time taken to approve funding going from 68% satisfied in 2014 to 73% in 2015.

Customers also indicated that Invest NI staff were better at keeping them informed about the progress of their application, 82% up from 80%.

2015 also saw us maintain 2014's huge uplift in satisfaction with communication between Invest NI and its customers (88% in 2015 and 89% in 2014, up from 80% in 2013). This is a key driver for customer satisfaction and something we have concentrated on over the year.

Our customers thought we performed best in encouraging **innovation** and investment in research and development (74% in 2015) and helping businesses to develop in **export markets** (75% in 2015).

78% of customers were satisfied with the quality of programmes and advisory services offered by Invest NI; increasing from 72% in 2014.

Improving digital communications

Invest NI continues to focus on improving digital communications. 2015 saw very low levels of dissatisfaction but almost 20% of customers were neutral about it. Improving digital communications will be a key driver in 2016.

Customer Service Excellence

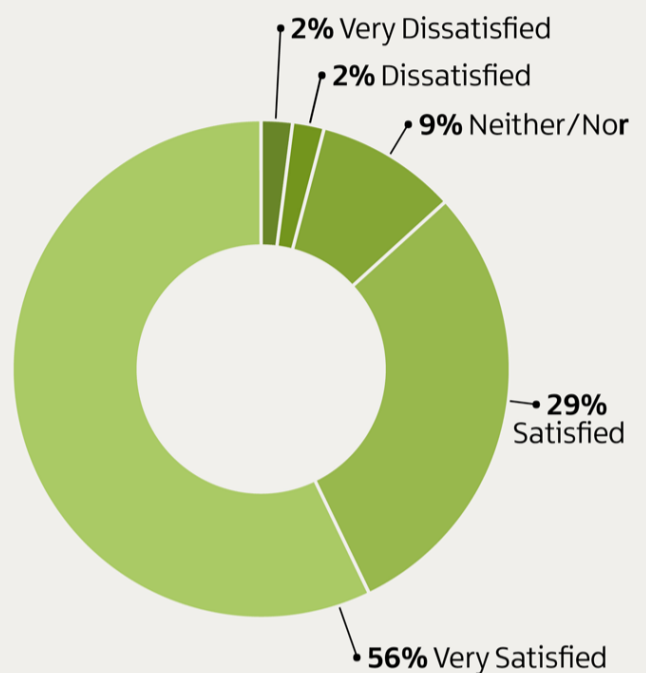
While our customers confirmed that our service was better, we also received external validation through the **Customer Service Excellence** standard which recognises an organisations commitment to customer service.

Each year Invest NI goes through a rigorous assessment where the assessor meets with staff, customers and stakeholders to review our customer service performance against the standard.

In 2015 we increased our Compliance Plus ratings from 11 to 16. A Compliance Plus rating is given where an organisation has gone over and above what is required to meet the criteria.

16 compliance plus ratings makes us one of the highest ranking CSE accredited organisation in Northern Ireland, something that we are very proud of.

Customer satisfaction levels 2015

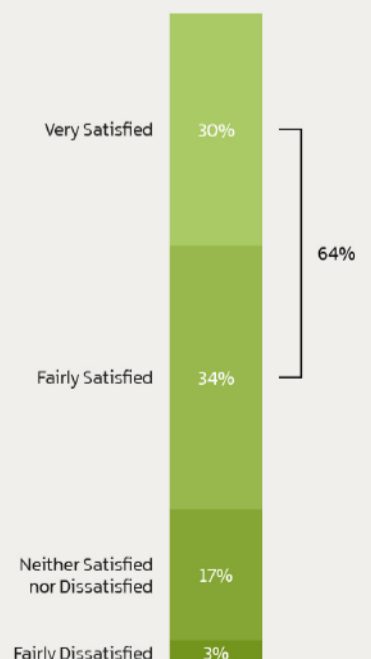


Digital communications satisfaction levels

Almost two thirds of customers satisfied with digital communications from Invest NI. Very low levels of dissatisfaction while almost a fifth remain neutral.

Mean score 2015
4.06

How satisfied or dissatisfied are you with the content of the digital communications, such as the Ezines, you received from Invest NI?
(Base: Invest NI Customers n=441)





Local companies dine out on Year of Food & Drink

International food and drink exhibitions

The **Northern Ireland Year of Food and Drink 2016** is an immensely important initiative for export-focused food producers and our companies have hit the ground running in grasping the opportunities developed for them.

Twenty local companies attended **Gulfood** in February and **Food & Drink Expo** in April, exhibiting on Invest NI stands, as part of our ongoing efforts to **help local companies develop international business opportunities** in key markets.



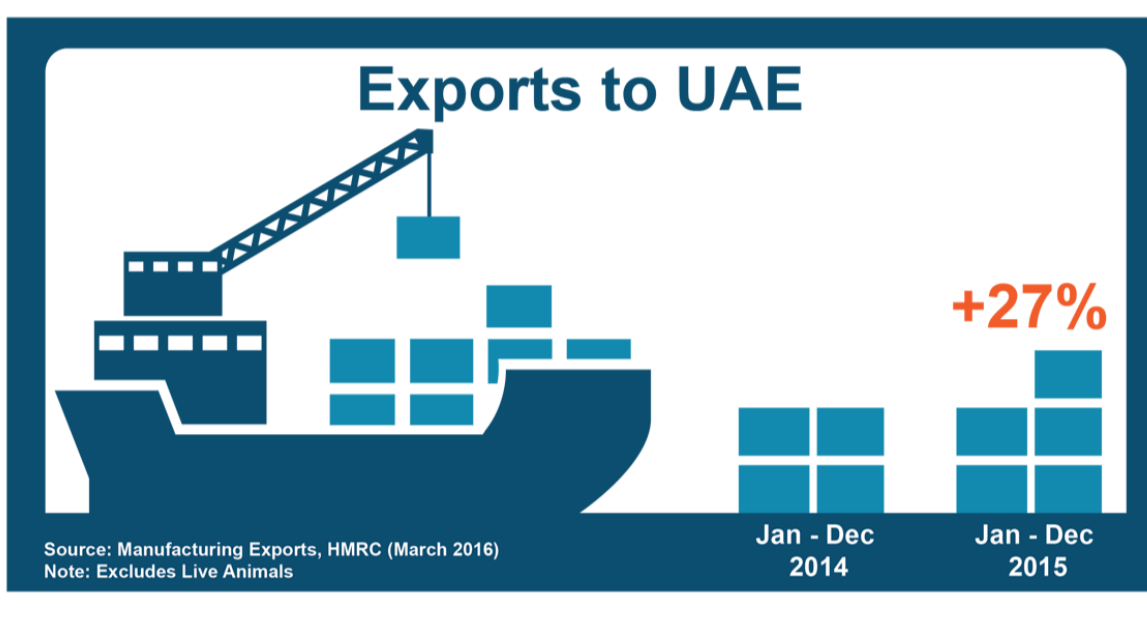
Gulfood exhibition is one of the most important food and hospitality shows in the world and historically has delivered significant business for Northern Ireland companies including **Free'ist**, **Dale Farm** and **Glenarm Organic Salmon**.

Food and drink opportunities in Middle East

The United Arab Emirates (UAE) is an important trading partner for local businesses and Northern Ireland's relationship with this market continues to grow.



Relationships are a very strong part of the Middle East culture and Antrim Hills' investment to foster a strong rapport with Dubai Duty Free recently resulted in this **family owned business securing its first business in the UAE**. Its success illustrates the scale of business opportunities in the GCC (which includes Bahrain, Kuwait, Qatar, Saudi Arabia and UAE) for Northern Ireland companies prepared to invest the time and resources.



Many local food and drink producers took advantage of the **opportunity to meet a group of top chefs and buyers from Dubai hotels and UAE based foodservice distributors** who visited Northern Ireland in February to explore potential business opportunities and secure new export sales.

Invest NI designed this visit to build on the successful relationships established by many local companies already exporting there. The interest shown in Northern Ireland by such an influential group cements the prestige of our offering in this region.



Dubai chefs cook Northern Ireland's finest food and drink

Over 40 local companies submitted products, including salmon, cote de boeuf, striploin, lamb, cheeses, chutneys and jams, which the chefs used to create a Year of Food & Drink Tasting Buffet.

The buffet delivered by the chefs was impressive and a fitting showcase of the pure, natural, quality of Northern Ireland produce.

Fortnum and Mason's Taste of Northern Ireland promotion



The Year of Food and Drink celebrations continued in May with **Fortnum and Mason's Taste of Northern Ireland promotion** from 05-19 May at its Piccadilly store. Artisan beer, award winning cheese and exquisite meats were among the 42 products on offer at the iconic business, famous for bringing the finest food and drink to its customers from all the corners of the world.

Organised in partnership with Invest NI, the 23 businesses invited by Fortnum and Mason had the opportunity to meet HRH Prince Charles along with influential buyers, customers and suppliers at London's premier food and drink retailer.

Commenting on the celebration, Ewan Venters, CEO of Fortnum and Mason said: "For 309 years we have been supporting artisan producers, bringing our customers the very best in specialist food and drink. Northern Ireland boasts an abundance of world-class produce and we are delighted to host this London platform for Northern Ireland's Year of Food and Drink celebrations. The quality of everything is astounding and we know our customers are going to fall in love with the Northern Irish food on offer."

First Minister Arlene Foster fully supported the celebration and toured Fortnum's Food Hall during a visit to London:



Promotion is a significant component of our strategy to help accelerate the growth of food and drink sales outside Northern Ireland, which is why Invest NI organised an eight week airport advertising campaign across the world. Ministers have also contributed in delivering this message while overseas, by highlighting Northern Ireland as a destination for food tourists.

During the recent St Patrick's Day celebrations in Washington, guests of the NI Bureau sampled boxty cooked by Celebrity Chef Noel McMeel and received a gift box of items from Northern Ireland producers.

Invest NI will continue to play its part over the coming months in helping local businesses to maximise the commercial opportunities in Great Britain and beyond. The Northern Ireland Year of Food and Drink 2016 is shaping up to be an effective platform to profile the skill, products and services of our local companies and we will work to ensure that Northern Ireland's reputation for quality and innovation is not only maintained but enhanced in the months ahead.

