

NORTHERN IRELAND ASSEMBLY

Tuesday 24 February 2009

The Assembly met at 10.30 am (Mr Speaker in the Chair).

Members observed two minutes' silence.

ASSEMBLY BUSINESS

The Late Mr James Leslie

Mr Speaker: It is my sad duty to inform the Assembly of the death of Mr James Leslie, a former Member for North Antrim. I take this opportunity to extend my personal condolences to his wife and family circle on their sad loss at this time.

Rev Dr Robert Coulter: When the sad news of the sudden and tragic death of James Leslie reached us yesterday morning, there was a palpable sense of shock and a genuine feeling of loss. A young man, almost on the eve of his fifty-first birthday, had suddenly been cut off in the midst of his life.

James Leslie was a son of one of the historic families of North Antrim. Born on 1 March 1958 in Tanzania, east Africa, he had a relatively short but talented career. Educated at Queens' College, Cambridge, he soon showed the early promise that marked him out for distinction in his chosen vocation. He proved the worth of his ability in banking and marketing, both at home and abroad. James followed his father's army footsteps, and gave courageous service in the UDR during the years of the Troubles.

I got to know James Leslie in the electioneering period before the 1998 Assembly. Enthusiastic and energetic, he gave himself wholeheartedly to the campaign. His wisdom and ready reply gained him favour with the North Antrim electorate, and we rejoiced together on being elected. For me, it was a happy experience to share a constituency office with him in Ballymena.

His abilities were soon recognised by the party, and he became the first junior Minister in the Assembly. During those formative early days, his wisdom and willingness to work long hours were invaluable.

James Leslie was a gentleman. His quietly spoken suggestions were of sterling quality. He conducted

himself in an exemplary manner at all times; even when others who were motivated by malice or jealousy derided him, he always smiled and turned the other cheek.

Our sympathy goes out to James's father and mother, his wife, his daughter, Charlotte, and two stepsons, his brother, John, and sister, Rose Jane, and the wider family circle. I am sure that I speak for everyone when I say that we assure them of our prayers and thoughts in these grief-filled days.

The death of James Leslie, so sudden and unexpected, reminds us all of the true realities of life. The Ulster Unionist Party has lost a colleague and a friend, but our country has lost a man of considerable worth. I will always remember what he once said to me:

"We may have won the war, but I hope we do not lose the peace."

The greatest tribute that we in the Assembly can pay to the memory of James Leslie is to ensure that we win the peace.

Mr Dodds: From these Benches, and on behalf of my party colleagues, I express our sincere sympathy to the wife and family circle of the late James Leslie on the sudden passing of their loved one.

When the news of his death came through yesterday, it came as a profound shock to all of us who had worked and served with James in the Assembly. The news is all the more poignant and tragic when one considers his relative youth and that he had still so much to offer to Northern Ireland, through his work, and to his family.

I, and other colleagues, had the privilege of serving with James on a number of Committees in the House. I can testify to his unfailing generosity, courtesy, inherent decency, and quiet manner. He impressed everyone with whom he came into contact.

His loss will be keenly felt by civic society in Northern Ireland, but most of all by his family, and I assure them of our sympathies at this difficult time; they will remain in our thoughts and prayers.

Mr McLaughlin: On behalf of Sinn Féin, I extend the deepest sympathy and condolences to the family of James Leslie. I knew him only briefly as a colleague in what is now referred to as the first mandate of the Assembly. I will always remember him with respect. His politics differed from mine, but he also had exceptional integrity. He listened to the arguments, and during his time in public life he always strove to make a contribution, and he will be remembered for that.

In particular, he represented a tradition that my culture knew as old unionism, and he demonstrated that politicians can span generations and cultures. His commitment to unionism was unfailing, but his ability to see the other side of an argument meant that his contribution invariably spanned all of the arguments,

and his expertise and professional experience was invaluable, particularly in the early days of the Assembly.

I reiterate Sinn Féin's sincere condolences to James Leslie's family, particularly given the circumstances of his death; he was a young man whose valuable life has been cut short. However, he made a lasting contribution and will be remembered for that.

Mr Durkan: We were all shocked and saddened to learn of James Leslie's untimely death. Those of us who worked in the Assembly with James remember him as a first-class legislator. He had a good eye for detail, without being pedantic, and he was concerned about the implications, interpretations and future consequences, financial or otherwise, of any measures.

He brought real consideration to his task as a legislator. He was upfront about his Conservative ideology, and he was honest when he was indifferent to issues. I found that refreshing when dealing with him when he was the Deputy Chairperson of the Committee for Finance and Personnel and when I was the Minister of Finance, and also in working with him when he was a junior Minister in the Office of the First Minister and deputy First Minister when I was deputy First Minister.

James Leslie had a knack of asking that unnerving question — why? Why are we legislating on this matter? Why are we introducing this measure? Why are Government bothered about this issue? That is why he made such a distinctive contribution to political life. He was a man of courtesy, consideration and clear conviction, and this place was the poorer when he left it.

Our region has lost a good public servant who lent his professional and commercial experience to political life in a positive way. The sooner we can again recruit such insights into active and full involvement in political life, the better. James Leslie made a positive, distinct and, in his own insistent way, modest contribution; but it tells and it stands.

Mr Ford: I will add a few words on behalf of the United Community group. It was, as others said, a huge shock when we heard yesterday morning of the death of James Leslie at such a relatively early age. He made a contribution, even in his brief time here, and had much still to contribute to public life.

I had the pleasure of serving with him on the Environment Committee; and in the Committee and in the Assembly one could see a man who had an eye for detail without being pedantic and who stood up for his principles while maintaining friendships across party lines. That is an example that we should all bear in mind. He was, in every sense of the term, a gentleman; one who came from a group in society that has largely distanced itself from public life in recent years. Yet James threw himself into the everyday life of an MLA to serve the people of Northern Ireland and of North

Antrim in particular. He set a fine example, of which we badly need more.

On behalf of my group, I extend our sympathy to his parents, his wife and daughter, and the family circle.

EXECUTIVE COMMITTEE BUSINESS

Budget Bill

Consideration Stage

Mr Speaker: No amendments have been tabled to the Bill. I propose therefore, by leave of the Assembly, to group the seven clauses for the Question on stand part, followed by the four schedules and the long title.

Clauses 1 to 7 ordered to stand part of the Bill.

Schedules 1 to 4 agreed to.

Long title agreed to.

Mr Speaker: That concludes the Consideration Stage of the Budget Bill. The Bill stands referred to the Speaker.

PRIVATE MEMBERS' BUSINESS

Small and Medium-Sized Enterprises

Mr Speaker: The Business Committee has agreed to allow up to one hour 30 minutes for the debate. The proposer of the motion will have 10 minutes to propose and 10 minutes to make a winding-up speech. All other Members who are called to speak will have five minutes.

10.45 am

Mr Cree: I beg to move

That this Assembly notes with concern the growing negative impact of the current economic downturn on small and medium sized enterprises; recognises that global economic circumstances have significantly restricted the flow of Foreign Direct Investment; and calls on the Minister of Enterprise, Trade and Investment to refocus her Department's policies and resources on support for small and medium sized enterprises.

The foreign direct investment (FDI) boom categorically ended in 2008. All major economies are in recession. Multinationals are consolidating their positions, and they have retreated from many locations around the world to, effectively, lick their wounds and shore up their balance sheets.

Invest Northern Ireland's January update stated that FDI leads have been hit particularly hard. In the Republic of Ireland, for the past 15 years, FDI has formed the backbone of the Celtic tiger economy. However, we are all watching with apprehension as the Republic's economy continues to contract sharply, while the Government there face serious budgetary problems and potential intervention from the International Monetary Fund. Commentators describe the Republic as the fifty-first state, but there is no more room in a "buy American" White House.

What that boils down to is that some opportunities have seriously diminished. Many FDI doors are now closed to the Minister of Enterprise, Trade and Investment, and they will remain closed for at least the entirety of 2009, and most probably 2010. The Minister and the Executive are, however, still tied to a Programme for Government target that seeks to secure inward investment commitments promising 6,500 new jobs by 2011, of which 5,500 will provide salaries above the Northern Ireland private-sector median.

The Ulster Unionist Party is not against foreign direct investment; it welcomes it and believes that we should be working towards securing it wherever possible. However, we are also realists who believe that Governments and Ministers should be able to adapt their policies and targets to accommodate emerging circumstances. The business world must adapt to such circumstances, so it is crucial that the Minister of Enterprise, Trade and Investment and the Executive are able to do likewise.

Small and medium-sized enterprises (SMEs) are the backbone of Northern Ireland's economy, accounting for 81% of private-sector employment and 79% of private-sector turnover. Moreover, 99% of private-sector enterprises are small businesses that employ fewer than 50 people. In the current recession, those businesses are suffering.

In the media, we rightly hear much when larger companies lay off significant numbers of people. However, there is little coverage of the constant flow of businesses that are laying workers off one, two or five at a time. Projections suggest that up to 15,000 jobs are under threat and that unemployment could rise to 50,000 by 2010.

I recognise that the Department of Enterprise, Trade and Investment (DETI) and Invest Northern Ireland have made some improvements. However, contrary to what the Minister announced last week, the Executive are not doing all that they can to help the economy. In the current circumstances, to consider that one can ever do enough smacks of arrogance.

Although the Minister is tied to delivering the notional FDI targets in the Programme for Government, resources will be wasted and time will be lost to help indigenous businesses survive the recession, so that they might emerge on the other side in a more competitive and healthy position. As the example of the Republic shows, indigenous businesses are more durable and sustainable.

FDI should be the icing on the cake of a strong, outward-looking local economy, and that opinion is shared by many business groups in Northern Ireland. Northern Ireland Manufacturing's excellent paper, 'Manufacturing Counts', states:

"too much attention has been directed by Invest NI towards IT and call centre employment and not enough towards broader industry. It has been too quick to dismiss much of manufacturing as 'sunset industries' not worthy of support".

It continues:

"There is good, sustainable high value added niches to be exploited in all of our manufacturing industries, and this is where Invest NI should be active, helping local firms to be world beaters".

We must get away from the idea that only FDI can deliver high-value-added jobs.

What else can the Minister and the Executive do? Invest Northern Ireland must become more original in order to help Northern Ireland businesses become more innovative.

A less bureaucratic and more targeted service is needed for small local businesses, and we must stop chasing unachievable targets. Furthermore, the support that is available to Northern Ireland companies by Invest Northern Ireland and other organisations needs to be promoted more vigorously and widely. Northern

Ireland companies need greater help to promote themselves on the international market.

The Ulster Unionist Party fully recognises EU state aid laws. It is of paramount importance that we do all that we can as facilitators for business. Any further help that we can provide to reduce companies' overheads will help to retain employment and boost productivity.

In the past year, the work of the Carbon Trust has saved businesses in Northern Ireland £18.3 million. That is not an insignificant amount, but more can be achieved. Glyn Roberts from the Northern Ireland Independent Retail Trade Association believes that Northern Ireland needs:

"further investment in energy efficiency measures to help businesses save money, particularly investment in worthwhile organisations like the Carbon Trust who have a proven record of delivering for business whilst being clearly under-funded."

I recognise that the Minister invested a further £4.9 million in the summer, but that is not enough, and it represents an opportunity lost. I urge the Minister to make a bid in the next monitoring round for further investment in the Carbon Trust, and I urge the Minister of Finance and Personnel to listen with sympathetic ears.

Northern Ireland companies are still paying too much for their electricity and energy. In the past year, retailers have seen increases in electricity bills of 60%, and they are paying 20% more than their counterparts in other parts of the United Kingdom. That is why the forthcoming review of our energy market is so crucial and why greater energy diversification and security is a must.

I am pleased with the Minister's commitment to that process, but, in the short term, we need to see results, especially in the investment and delivery of renewable energy. The Confederation of British Industry (CBI) believes that low-carbon technologies offer the UK an opportunity to enter and lead new markets that are estimated at \$1 trillion. It is imperative that we move more quickly and show more ambition and vision to ensure that we do not lose out to other regions and countries.

There must be investment in alternative energy. America and other economies will be seeking innovation, and we must be at the forefront of that wave of opportunity. When one considers the opportunities that energy efficiency and green technology present, the out-of-date attitude of our Minister of the Environment — who champions himself as a friend of business — moves from the embarrassing to the harmful.

Outside of DETI, we need to accelerate the reform of the planning system, which is clogging the arteries of our economy. The Minister of the Environment must publish Planning Policy Statement (PPS) 5 as quickly as possible so that our town centres will become vibrant and sustainable. Furthermore, the net

loss of jobs that out-of-town developments can bring must be halted, and the Minister of Finance and Personnel and all Departments must deliver on commitments to pay businesses on time.

The Executive have made some positive improvements in recent months. The freezing of non-domestic rates is welcome, as will be the Minister's awaited announcement on small business rate relief. However, I want to see the proposals' details, not least on how the Minister intends to fund such a scheme in these financially constrained times. However, I remain optimistic.

Unfortunately, an attitude prevails among some parties that we are doing all that we can or that we are doing enough. As individuals lose their jobs and as companies go under, I fear that those people will view the Minister's attitude as being cocooned in a different world.

The Programme for Government must be re-prioritised, and the Minister of Enterprise, Trade and Investment must step up a gear in her approach.

Recently, I spoke about the severe lack of monitoring and evaluation of the Programme for Government targets. That is mirrored in how the Minister of Enterprise, Trade and Investment approaches her economic policies. During this economic crisis, the quarterly review provided by Oxford Economics is not enough. The Minister should provide a more frequent breakdown of the performance of each sector in the economy, details of how that compares with other regions in the United Kingdom and what impact her Department's actions have had. Only proper monitoring and evaluation will inform us of the best way forward. I commend the motion to the House.

The Chairperson of the Committee for Enterprise, Trade and Investment (Mr Durkan):

The motion refers to the restricted flow of foreign direct investment, which is an issue that the Committee for Enterprise, Trade and Investment has heard voiced by Invest Northern Ireland and the Department. There has been a reduced resource requirement by Invest Northern Ireland of £14 million in 2009-2010 and £10 million in 2010-11 in response to that very restriction.

(Mr Deputy Speaker [Mr Molloy] in the Chair)

The Committee has been concerned to ask the officials and the various private-sector interests that have recently appeared, and will appear, in front of the Committee about what else can, and should, be done to support, in particular, our small and medium-sized enterprises during this difficult period.

No one is saying that FDI has gone for good, should not be sought and should not be supported; people recognise its importance, including its importance to our own small and medium-sized enterprises, which can often benefit from supplying the firms that come here with FDI. However, we all have a sense that small

and medium-sized enterprises here are facing acute pressures as a result of market issues.

Market factors have meant that people are seeing customer orders reduce and consumer demand drying up in many instances; however, in other cases, some firms are doing very well. The Committee has been at pains to make sure that, in expressing concern about the downturn, we do not fail to champion the many firms that are navigating their way through these challenging times in quite a positive and interesting way. The Minister of Enterprise, Trade and Investment and her officials have been at pains to show close support and strong regard for such firms also — not just because they are doing good in themselves with their customers and for their employees, but because they are setting a very good example at a very difficult time.

The Committee has raised issues in the Assembly in the past — for instance; concerns about the decision taken last year to remove the grant involved in the Start a Business programme. We asked the basic question that, if our aim is to support people going into private enterprise, surely we should be supporting them at the starting point. The removal last year of the, albeit small, grant sent out the wrong message and is taking its toll on the uptake of the Start a Business programme.

I know that the Minister has that matter under review in some way. We need to look at more than simply restoring the grant; we should be looking at a number of the other grants that were weeded out over the past number of years. Those grants were withdrawn because it was felt that we did not need them, there was a different climate and there was a different system of market incentives. We need to see whether more intelligent grant support can be applied at this time.

We have a situation in which businesses face a crunch in circumstances where credit is denied, tax is demanded, and grants that existed previously are gone. Although we have a limited role in relation to ensuring that credit is available and in limiting the tax demand, the one area in which we do have a role is in making grants available. Before money that is surrendered by Invest NI and DETI, because of the drying up of FDI, is sent to the centre to go to other good causes and good means of expenditure that can support the economy — which none of us should naysay — the fact is that we need to consider whether that money could be spent in supporting firms and enterprises as well. That is a very important point that we all need to look at.

I mentioned the issue of the banks. That matter is not under our direct control, but Ministers are working on it.

11.00 am

Mr Deputy Speaker: Will the Member please draw his remarks to a close?

The Chairperson of the Committee for

Enterprise, Trade and Investment: The Committee looks forward to the Treasury Select Committee being in Northern Ireland next week, and the Business and Enterprise Select Committee is also coming here. I hope that that will bring positive attention on the performance of the banks in supporting business here.

Mr Hamilton: I welcome any debate on the economy. However, it is a pity that it is taking place in such gloomy circumstances — as outlined by both Members who spoke previously. I support the motion, although its phraseology might have been better if it had referred to redoubling existing focuses on small and medium-sized enterprises. I am happy to support the motion in the context of the ongoing independent review of Invest Northern Ireland and economic development policy within Northern Ireland, bearing in mind the fact that Northern Ireland's is a small and medium-sized enterprise economy. That fact has been acknowledged already, and that focus is already there through the Department and Invest Northern Ireland.

Before I make some other points, I will touch on a couple of criticisms that I noticed in the proposer's opening comments. I have heard his colleague, and my colleague, on the Committee for Enterprise, Trade and Investment be a bit more strident in his criticism of Invest Northern Ireland, and perhaps the criticism is that it is not focused enough on some of our smaller businesses. Hopefully, that criticism will be teased out during the ongoing review. However, if there is a criticism of how that organisation is structured and focused, I look forward to seeing the Member and his colleagues take up that criticism with their party leader, who was responsible for the creation of Invest Northern Ireland.

Once again today, there have been criticisms of the Programme for Government and the focus of the Budget, and a call for its rewriting. It is worth bearing in mind some of the positive steps that are being taken to try to — not overcome the current difficulties, because we see big sovereign Governments having difficulty overcoming the problems we face —

Mr B McCrea: Will the Member give way?

Mr Hamilton: Hold on; let me make my point, and then I will certainly give way.

Steps are being taken to give some comfort and ease, such as the small-business rates-relief scheme, which is due to come in next year; the freeze on non-domestic regional rates; the capping of industrial rates at 30%, which we were all united in calling for and which I am glad to see has happened; and the investment of £1.4 billion this year in our infrastructure, which is offering some assistance and employment to people out there. If those matters were not being implemented by the Executive, or if we were

in a direct rule situation, how much worse might the situation be?

Mr B McCrea: For once, I may have a slight advantage over the Member, in that I remember the time when Invest Northern Ireland was set up as a one-stop shop. It was supposed to encompass all areas — small, medium and large enterprises. The problem was that it then became an organisation focused only on the larger organisations and foreign direct investment. Therefore, there is some question about it. Will the Member consider that the regeneration, or the reinvigoration, of an organisation such as LEDU would be a positive step?

Mr Hamilton: Those issues could be drawn out in the ongoing review. I do not think that anything is off the table in respect of the review. However, the Member's call for the examination of the creation of an organisation such as LEDU again would run contrary to the position advocated by his own party leader in the early part of this decade with the creation of a one-stop shop, and I would love to be a fly on the wall for that conversation. Equally, I would love to be a fly on the wall during the conversation, presumably between the proposer and his colleague the Minister of Health, Social Services and Public Safety, calling for the re-prioritisation of the Budget to focus even more on the economy, and looking to take some resources away from his budget to spend on economic development.

I would not entirely take the criticism that Invest Northern Ireland is not focused on small and medium-sized enterprises, although I am no advocate for it. I accept, as other Members do, that, in some respects, there are problems with the organisation. The Start a Business programme has helped close to 20,000 individuals get into the business community, and that is a positive outcome. We cannot ignore small and medium-sized enterprises. We cannot have an economic development agency, such as Invest Northern Ireland, and not be focused on small and medium-sized enterprises. Some of the job creations recently have been provided by small and medium-sized enterprises because the companies providing them employ fewer than 250 people.

Last week, I had the privilege of attending the Innovation and Export Awards 2009, at which we were able to celebrate the success of Invest Northern Ireland client companies — Radox Laboratories, Almac, Singularity and Mash Direct, which is in my constituency. Those small companies are doing very well in a global context, with assistance from Invest Northern Ireland.

When discussing support for small and medium-sized enterprises, we should not take our focus entirely away from, or retreat from discussing, foreign direct investment, too. Foreign direct investment is a

hallmark in good economic times. We could now view foreign direct investment through the spectrum of bad economic times and say that it is a bad thing that we should not pursue. However, if we are thinking about how we can reach a strong position in the good economic times, we must recognise that FDI is good. Local companies who supply FDI companies enjoy spin-off benefits from such investment.

As a country, we must position ourselves for the good times and the benefits coming out of an economic upturn in the future. Northern Ireland must continue to sell itself during these difficult times, so that, when times change, we can sell our positive points, as a country and as a small economy, to potential investors. We should not be that fussy about the source of investment in these difficult times, so long as investment is coming our way.

Mr Deputy Speaker: I ask the Member to draw his remarks to a close.

Mr Hamilton: We should focus on the positives and on all potential investors, whether they be small indigenous companies or big foreign direct investors.

Ms J McCann: Go raibh maith agat, a LeasCheann Comhairle. Like other Members, I welcome the opportunity to speak on the motion, which I support. The economy is now in recession, and, according to all the forecasts from the various Committee witnesses and others, the economic situation will get worse as the year progresses. It is clear that new and innovative ways of thinking are needed if we are to sustain the businesses and jobs that already exist, and offset any further job losses. That also includes creating new investment opportunities and ensuring that people are trained in the necessary skills so that, when the economic climate changes, they will be able to access jobs as they become available.

The economic downturn has had an impact on the anticipated level of foreign direct investment. Therefore, in the current adverse conditions, it is even more important that small and medium-sized businesses and social economy enterprises — because we must not forget about the contribution of social economy enterprises — are given the resources that they need to sustain themselves in the short term, and develop and grow in the longer term.

It is essential that planned funding be made available for the delivery of major infrastructure projects in roads, housing, education and health, and we have heard those matters debated in the Chamber over the past few months. Governments, both in the North and South of Ireland, have an opportunity to maximise the social and employment opportunities for everyone through the public procurement process. That is another essential part of introducing new and innovative ideas. It is also an essential part of the

investment strategy. It is crucial that the opportunity be grasped now to secure current jobs and create new employment opportunities.

The Executive have earmarked something like £20 billion for the public procurement of works, services and goods over the next 10 years. Looking at the matter in an all-island context, almost €16 billion is spent on public procurement each year, most of which goes to companies overseas. As has already been pointed out, SMEs account for a significant proportion of businesses in the North. However, almost three quarters of those SMEs, including those from the social economy sector, do not even apply for public procurement contracts because they feel that the tendering process is stacked against them. There is an excellent opportunity, through working closely with organisations such as InterTradeIreland, Invest NI, IDA Ireland and the enterprise councils, to encourage and develop local SMEs on this island and to enable them to secure contracts for public procurement.

Mr Durkan: On the issue of public procurement, does the Member agree that the whole approach to frameworks very much militates against SMEs being able to compete for, and be involved in, significant contracts? Is she concerned that Northern Ireland Water seems to be following exactly that approach under the name of the “alliance approach”, as they call it? That will mean that only the big firms, generally from outside of here, will be on the list for work from Northern Ireland Water.

Ms J McCann: I thank the Member for his intervention, and I agree that the tendering process is stacked against some small and medium-sized businesses. There is an opportunity to deliver on the important issues of fairness, inclusion and equality of opportunity, by actively challenging the existing patterns that perpetuate the issue that the Member talked about.

There are a number of opportunities for social-economy enterprises to enter into business with the public sector and the private sector, and we need to look at innovative ways to take that forward. Banks have already been mentioned; they also have a corporate responsibility to ensure that lending and borrowing facilities are kept open to SMEs and social-economy enterprises.

People are very concerned, as we should be, that the recent injection of public money to steady the banks has not had the desired outcome for businesses across this island. In this period of economic uncertainty, it is important that local businesses have access to the new financial guarantee schemes that have been introduced by the British and Irish Governments as part of the bailout for banks. We need to look at that again, because public money cannot constantly be put into a

black hole where it is going nowhere. We need to look at creating a state bank of some description, whereby public money can be given and redirected into borrowing facilities for businesses. There are also options for organisations such as Invest NI to create an investment fund, so that they too can lend money to businesses and create lending and borrowing facilities for businesses. That approach might bring some sort of result.

In conclusion, I support the motion and ask that the Department and Invest NI refocus to ensure that organisations such as Invest NI redirect those resources and that support to small and medium-sized enterprises. When we are talking about small and medium-sized enterprises, it is important that we do not forget the contribution that social-economy enterprises have made to the economy as a whole and to the local community in challenging disadvantage and need. Go raibh maith agat.

Mr Neeson: We all recognise the importance of SMEs to Northern Ireland's economy. Indeed, it is important to remember that most SMEs are largely indigenous. In fact, they are really the backbone of Northern Ireland's economy at the moment.

I welcome the ongoing review of Invest Northern Ireland. Since the demise of LEDU, many people have been questioning whether SMEs are getting the support that they need. The Enterprise, Trade and Investment Committee has been looking at that issue and questioning officials about it. The classic example that has concerned the Committee — the Chairman has already referred to it — relates to the changes that are taking place to the Start a Business programme. I should declare an interest, as a member of the board of Carrickfergus Enterprise and also as a member of Carrickfergus Borough Council. That major scheme was working very successfully indeed, and a number of new businesses were established in Northern Ireland and built from the ground up. Therefore, the Committee has questioned why there is a need for change.

I am led to believe that there has been some form of resolution in relation to the awarding of contracts which were due to be awarded in January, and I would like the Minister to respond to that, because Start a Business provides major scope for the establishment of new businesses in Northern Ireland. Furthermore, I hope that any change that takes place reflects the review of public administration.

11.15 am

Many of us believe that the changes came about too early because of the review of public administration (RPA). The other important thing in relation to SMEs is that they develop at the regional level. For that reason, it is important that the regional offices of Invest Northern Ireland are retained to reflect the changes brought about by RPA.

A few years ago, Dr McDonnell and I had the pleasure of meeting the United States' investment secretary. In the States, there is a scheme to provide loans, guaranteed by banks, for the establishment of SMEs. It has been very successful and, most importantly, as a result of the scheme many women became involved in business. That is something we must encourage in Northern Ireland. Indeed, there used to be a guide called 'Women into Business', which I warmly welcomed. There is an opportunity to expand the Northern Ireland economy, and I encourage DETI and its Minister to consider the scheme that has been established in the United States and decide whether a similar scheme would provide opportunities here.

Last week in the Assembly, I spoke about the importance of the green economy. Great opportunities exist in that sector for both large and small companies.

We all know that the banks have largely created our present problems, and they have a responsibility to get us out of our present situation. I recognise that the Ulster Bank has announced recently that it will set aside finance to assist SMEs and I wholeheartedly encourage other banks to follow that lead.

Mr Newton: This is an important matter. In these difficult economic times, it is right that the economy is being debated in the Chamber. However, it is a serious matter, and is not one to be toyed with. It should not be placed on the agenda either as a party-political strategy or as something that will become a political football. I am sorry that the proposer of the motion described Minister Foster's actions as "arrogant". That is to be regretted.

No single Minister has responsibility for the whole economy. Other Departments have parts to play in the economic well-being of trade and industry and in improving prospects of both. During discussions with owners of SMEs, I have heard them give the clear message to me and to all politicians: give us the tools and we will do the job.

I have already said that the motion is important, but it is not possible to address the difficulties of the owners of small businesses by restricting the debate to the actions of Minister Foster: in that respect, the motion is weak. It is not too difficult to understand how Minister Empey's Department has a major impact on the economy and SMEs. The need to address the skills shortfalls; the upgrading of employees' skills; finding solutions to the further education lecturers' dispute; the problems of apprentices in the construction industry or the sector's refusal to take part in the Minister's fostering programme for apprentices who have been made redundant are important issues. Each of those major problems, which are the responsibility of Minister Empey, has an impact on the business performance of the SMEs.

It is obvious that as Minister Empey addresses those problems — which are crucial to the future of employees and individual businesses — it will be difficult to improve the economy if they are not tackled effectively and efficiently.

SMEs expect us to have in place best-practice training programmes that can deliver the skills that the economy demands.

In a wider context, SMEs want the banks to play a positive role through their lending policies. Minister Foster and her Executive colleagues have been addressing that issue right up at Downing Street levels. In addition, SMEs want an effective and fit-for-purpose road network, and we have debated in the Chamber on previous occasions that they want us to tackle the burden of red tape and bureaucracy.

Right across the spectrum, all Departments have a role to play, and I urge that we work collectively, as an Assembly, and through all the Committees, to address the additional problems and burdens that businesses have at this time in Northern Ireland.

I stress that there is a trap in mistaking activity for action. Whatever we decide, and any Committees' activities, must be transformed into action right down at the coalface of SME service delivery.

Businesses perform best when they are given the freedom to trade. In the past, we have debated the issue of red tape and bureaucracy, and, increasingly, the small-business sector demands that that be addressed. I am never quite sure how we can do that in the European and Westminster contexts; however, where possible, we should be contextualising red tape so that businesses in Northern Ireland are not overly burdened by any further strategies. In fact, SMEs recoil at the mention of Government strategies. They require practical, targeted and measurable assistance that will bring results to the economy.

Finally, I want to see a balance in how that is done; we must not address FDI exclusively, and we must not forget that successful SMEs underpin the economy.

Mr Butler: Go raibh maith agat, a LeasCheann Comhairle. Cuirim fáilte roimh an tairiscint seo. Tá mé sásta labhairt i bhfabhar an rúin seo. I welcome the motion and I speak in favour of it. I know that there are some concerns about party politics, and that there has been some criticism of Ministers. Nevertheless, the message that we should send out is that we are concerned about small and medium-sized enterprises.

I accept that there has been an Executive response. Simon Hamilton talked about the £1.4 billion in capital investment; the capping of industrial rates at 30%; the freeze on rates; and a rate relief scheme for small businesses that will come into effect, albeit next year.

Small to medium-sized enterprises help the economy, and they do as well as their counterparts in attracting foreign direct investment. There are concerns among small and medium-sized enterprises about the availability of working capital and credit. The Minister of Enterprise, Trade and Investment has come up with an enterprise finance scheme, and Invest NI, through its accelerated support fund, has tried to deal with those issues.

I hope that the Minister goes away today with some ideas. Tonight, Lisburn City Council will give its response to her economic policy, and there has been criticism of the roles that Invest NI and local councils have played in local economic development.

It is not all criticism. On a positive note, DETI has helped to secure funding from Europe. However, there is also a sense that the priorities of Invest NI are not on small and medium-sized enterprises and that local businesses, for example, see local councils as being more accessible because of the skills and knowledge that councils have about local economic development. Local businesses see the councils as a better avenue than Invest NI, and they see Invest NI's priority as being on foreign direct investment. I hope that that is one of the points that will come out of the review of economic policy and that the Minister takes that on board.

Organisations such as Enterprise NI work closely with councils and have developed economic policies to try to help small and medium-sized enterprises. Such organisations criticise the response to the economic downturn; they see the banks and the car industry being bailed out, so why not local businesses? They have criticised the fact that the terms of reference for the small business support programme were drawn up before the present economic downturn. That is something that could be looked at to try to help small businesses.

Those organisations have also made a relevant point about what they call the “entrepreneurial deficit” in the North. They look to the South, where city and county councils have a statutory responsibility to develop the economy and local businesses. Councils have a budget to support businesses in a proactive way.

Hopefully, the Minister will take on board the role of local authorities. I know that she has referred to the work of Craigavon Borough Council, and I hope that she will take on board the work of Lisburn City Council, Belfast City Council and other councils. Bodies such as Enterprise NI have concerns about the RPA, to which Sean Neeson referred. They have concerns about the 11 new councils taking on the role of economic development and about where DETI will sit with that. Mar a dúirt mé ar dtús, tá mé ag labhairt i bhfabhar an rúin seo.

I support the motion.

Mr Shannon: There can be no question that small businesses are under pressure at this time. In my constituency of Strangford and in every other constituency, barely a week goes by when I do not hear of a business that is suffering or is finding it hard to come to terms with the economic climate.

I am aware of the issues, but the Minister of Enterprise, Trade and Investment is even more aware of them, and she is working on the solutions. We must be positive about what the Minister is doing and be aware that other Departments also have to have responsibility. My colleague Robin Newton made that point earlier. One need only take the time to look at the DETI website and read about the daily battles that are being won and the solutions that are being found for small and medium-sized enterprises to know that DETI is already focused on doing its best to bring businesses to the Province and to encourage existing businesses.

DFP haes maed proamishaes tae bring aboot, en fer tae pit in plaes iver £1.4 billyin tae kinstruckshin projects this financial yeer, kumpaered wi' £676 millyin jist iver five yeer aga. This is aw gaun tae help oot schuills, roads, hoaspitals en tha laek in mony perts o' tha kintrie. Iver tha nixt 10 yeer DFP wull bring aboot en pit in tae capital projects £20 billyin throo investment, wrouchtin alangside wee en medyum-sized enterprises. Tha delivern o' thees projects wullnae oanly help oot tha kinstruction industrie bit aw tha feeder suppliers en transport firms etc. This is a' must if we er tae git an bring oorsels oot o' this dip that we er in.

The Department of Finance and Personnel (DFP) has pledged to deliver £1.4 billion of construction projects this year, compared with £676 million five years ago. That is helping schools, roads, hospitals and many other areas. In the next 10 years, DFP will deliver £20 billion of capital projects through the investment strategy, working closely with small and medium-sized enterprises. That delivery of projects will help construction and all supplementary businesses, such as suppliers and haulage firms. That is a must if we are to bring ourselves out of the dip that we are in.

11.30 am

Banks are part of the key to progress and success. The latest news is that the Ulster Bank has set up a £250 million regional fund to support small and medium-sized enterprises by providing additional debt finance and access to other options to help businesses to manage their capital and cash flow in the current downturn.

The Minister, who has been aware of that and who is very much working in the background, has rightly commended the Ulster Bank for taking that big encouraging step. That flexible scheme will not only give businesses greater scope for day-to-day expenses, but can be taken, I believe, as a sign that banks can see

light at the end of the economic tunnel and are helping businesses to see that light as well.

This, along with offers from other banks and the UK Government's recently announced enterprise fund guarantee scheme, will provide local businesses with a wider range of funding options and will help to boost their confidence and, indeed, that of the community. That is Government in action — working with the wider sector in order to make practical differences to people's lives and businesses in the Province.

The fact that exports are diminishing cannot be denied. The Department is already at work. Its most recent success has been Moore Concrete Products, which is not in my constituency — as Members will be surprised to hear — but in Ballymena. There are photogenic pictures in today's papers. The Minister happens to promote industry in the papers at least two or three times every week.

Moore Concrete Products, which supplies pre-cast concrete products to the agriculture, civil engineering and building industries, used Invest Northern Ireland's trade mission to carry out market research and to gain rights to manufacture pre-cast concrete products. The Netherlands, which is the fourth-most-important European market for Northern Ireland manufacturers, is an attractive market for companies such as Moore Concrete Products. There is much past success to build upon. Customers in the Netherlands purchased goods worth £145 million in 2007-08 — 10% of Northern Ireland's total exports to markets in continental Europe. Again, that is a success story.

As the Minister stated recently, businesses must and will place even greater focus on increasing the value added to their products and services and developing innovative sales and marketing techniques.

The proposer of the motion referred to planning, as did other Members. It is important that planning reform is in place. That is not just Minister Foster's responsibility, but that of other Departments and, in particular, Minister Wilson. A method is in place to fast-track important projects and get things moving. Business is worried, but the Minister will prove that she is up to the challenge. My grandmother had a saying:

“the proof of the pudding is in the eating.”

The Minister will prove that, and it will be an acceptable meal.

Dr McDonnell: I reassure my friend Mr Newton that I have taken note of his sensitivities. I will speak carefully because I do not want to offend his soft and sensitive feelings. I was touched — and I hope that the Minister was, too — that he jumped to her defence.

On a more serious note, I thank my colleagues Mr Cree and Mr McFarland for bringing this timely motion before the House. Indeed, after the shock of

— I was going to say “the collapse”; it is well nigh a collapse — the downward spiral that Northern Ireland has experienced during the past nine or 10 months, much more time must be focused on and support given to people who try to rebuild the economy. The Assembly must take all the constructive action that it can and do as little as possible to talk the economy down further.

We live in challenging times. Many of Northern Ireland's key domestic and international markets are struggling. Consumer and business confidence is in relative free fall. Unemployment is rising. In particular, the current climate is acutely severe and threatening for local small and medium-sized enterprises. My office has been inundated by local businesspeople who are deeply concerned that their hard-built enterprises are on the verge of collapse.

The issues that they face are not new and are no surprise to anybody. We have all heard the stories of cash flow difficulties; limited access to credit; decrease in demand for goods and services; severely reduced profit margins; and, unfortunately, increasing incidence of compulsory staff redundancies.

We cannot underestimate the importance of local SMEs to our economy. The figures that I have been given indicate that 65% or 66% of our private-sector workforce is employed in very small companies that employ fewer than 10 people. I note and welcome the Minister's repeated pledges to do everything possible to support our local SMEs. That is essential if we are to mitigate and offset the worst effects of the recession. However, as the motion rightly points out, global economic circumstances have severely restricted the flow of foreign direct investment.

The Department of Enterprise, Trade and Investment and, indeed, all of us can always do a little more. I urge Invest Northern Ireland, in particular, to nurture and support existing and new local small and medium-sized enterprises in every way that it can, rather than chasing a crock of gold at the end of a rainbow for foreign direct investment that is not there. Invest Northern Ireland is engaged in a number of worthwhile initiatives to help small businesses, such as credit-crunch seminars. However, it could do more, and it could be more flexible and responsive.

A series of specific measures could be undertaken to deliver targeted, efficient and effective support and assistance to small businesses and to people who wish to start up a small business. Those measures include reinstating the £5,000 business start-up grant, which should be administered by some of the capable local enterprise companies. Those companies are best placed to provide pre-start enterprise and expansion training.

I also urge the Minister to introduce a capital expansion grant for small companies that employ

between two and 10 employees and that want, or need, to grow but do not have the resources. That grant would not only help to offset and mitigate the worst effects of the current situation but could assist in long-term strategic development and changing the tone of Northern Ireland's economy.

Mr Neeson referred to the United States Small Business Administration, and that is a wonderful example of action being taken to bring about economic recovery. Efforts have been made here to get a loan-guarantee scheme for small firms up and running, and I appreciate that it does not seem to work very well. However, we must do whatever we can to ensure that the banks operate that scheme.

The US Government were able to persuade the banks to run a scheme that resulted in £100 million in loans instead of £5 million in grants; the £5 million is an insurance to support those who defaulted. The Executive must apply pressure on the banks to make them more understanding and flexible and to open up the flow of capital.

Mr McLaughlin: Go raibh maith agat, a LeasCheann Comhairle. Obviously, the economic downturn has exercised all parties. I welcome the motion, and my party supports it. The Assembly has repeatedly returned to the issue, and that reflects the concerns in the wider community and constituencies.

The consequences of the economic downturn are obvious. The withdrawal or recasting of credit facilities has had dire consequences for companies, some of them long-standing. There have been daily announcements of redundancies, falling property values and a virtual shutdown of private-sector construction and development. That has consequences for long-standing companies that provide freight and haulage services, which, in many ways, were the spine of our SME sector. There has also been pressure on front line services and increases in energy costs; the list goes on and on.

We have a limited ability to respond in an autonomous fashion, and, indeed, Governments that do have that ability have experienced difficulties. Nevertheless, we have strengths in the very considerable resources that we can apply to capital investment projects. Beyond our traditional resource, which is very strong and obvious, another resource is the strength and vibrancy of our SMEs, which have a proven ability to withstand the most difficult circumstances.

We can, and should, deploy those strengths and pursue every opportunity for FDI. I have not heard any convincing arguments as to why we should abandon that approach. However, the Programme for Government has other dimensions and provides a real opportunity for the Assembly and the Executive to support indigenous enterprises.

I am pleased that the Chairperson of the Committee for Enterprise, Trade and Investment addressed the issue of the frameworks; I, too, have addressed it on a number of occasions. The Minister of Enterprise, Trade and Investment and her ministerial colleagues should review not only the role and function of Invest NI, but general procurement policy and approach. We should talk about unpacking major capital projects to ensure that local enterprises have an opportunity to compete for, and win, contracts. If the bubble had continued, and the economy had continued to grow, we should have been discussing and considering this issue anyway. However, it is now imperative that we do so in order to ensure that local enterprises, skills bases and companies respond to that opportunity. The benefits of such an approach are obvious.

We can continue to address the aims of the Programme for Government and the strategic investment goals. However, when local companies are able to deliver — and not just be restricted to being sub-contractors, through which significant sums, to all intents and purposes, are exported out of our economy — money will be re-circulated to the maximum extent in the regional economy. We will have retention of skills and work squads, opportunities for training and apprenticeships, and support and security for indigenous SMEs.

The motion should be supported on the basis that the targets in the Programme for Government remain robust and attainable. I am certain that the Minister is alive to the urgent need to provide maximum opportunities for SMEs to participate. It is on that basis that we should deploy our strengths and opportunities. There is little point, purpose or benefit in lamenting for what we do not have. Let us apply the resources at our disposal and our own creativity and imagination in order to ensure maximum involvement in the delivery of the capital projects to which we have already agreed. We have the resources to do so.

Mr D Bradley: Go raibh míle maith agat, a LeasCheann Comhairle. Tá an-áthas orm a bheith páirteach sa díospóireacht thábhachtach seo inniu, agus gabhaim buíochas leis na Comhaltaí eile a ghlac páirt sa díospóireacht sa Tionól inniu.

I am pleased to take part in the debate, and I thank the Members who proposed the motion.

The likelihood of attracting foreign direct investment is greatly reduced during periods of economic downturn such as we are experiencing at the moment, not only locally but on a global scale. American companies, from which we traditionally draw high levels of FDI, are being encouraged to keep investments at home in order to help their own economy to recover. We should continue to seek FDI — but with realistic expectations.

However, we should seriously consider redirecting resources towards developing local businesses and

industries. Although global recession poses a threat, it also provides opportunities. If it does not force us to fall back on our own resources, it certainly encourages us to concentrate more on growing and developing our own indigenous businesses. Even if local plants are profitable, international companies can, during recession, close them overnight if the international headquarters seeks rationalisation. In recent times, that has happened too often, and we have seen the pain and anguish that it leaves behind. However, it is a fact of the modern global economy.

Although inward investment and support to high-value-added, technology-based business is important and achieving inward investment in technology-based business targets is challenging, they do not provide the total solution for the Northern Ireland economy, especially for those businesses based in peripheral areas and disadvantaged communities, which FDI often does not reach.

We need to develop a mixed economy that values, and applies resources to, the establishment and development of entrepreneurs who are starting locally focused businesses, including family enterprises.

11.45 am

Entrepreneurship is an important driver for economic growth, competitiveness and job creation, and support should be available at a local level for all businesses. Figures from 2007 showed a gap in provision between around 7,000 new businesses registered for VAT, and the support available from Invest Northern Ireland. Locally focused businesses contribute to the Northern Ireland economy by providing employment, income and opportunities in towns, villages and rural areas. They provide the only opportunities for employment and income growth where inward investment is not an option.

Unfortunately, at present, no one has statutory responsibility for supporting locally focused businesses, and whatever support is available is of a stop-start nature. Only a small amount of Invest Northern Ireland's budget goes to locally focused businesses, and the Start a Business programme is now coming to an end.

There is no Northern Ireland-wide programme to support local businesses to develop, grow, innovate and export. Local enterprise agencies do not have core funding, and have often to spend their energies on attempting to stay afloat, rather than doing the important work that needs to be done in continuing to support and develop local business.

Addressing the entrepreneurial deficit in Northern Ireland requires a system similar to that in the South, where city and county enterprise boards have a statutory responsibility. That requires local development plans and budgets for supporting small businesses, and a proactive approach that includes integrated support for

entrepreneurship, which is cross-departmental and co-ordinated by the Minister's Department.

Barriers to entry need to be reduced through the provision of start-up support through a network of business advice centres, with incentives for research, development and innovation. There is a need for a strategy rooted in a statutory basis, with a clear policy framework, accountable to the Assembly, and a consistent long-term approach based on best practice, wherever it is found. Out of that should come regional action plans supported by longer funding cycles and managed by local education authorities, further education colleges and the local councils. Go raibh míle maith agat.

Mr Wells: I support the motion. The difficulty with speaking last in a debate is that there is little that has not already been said. However, for the benefit of next week's 'Mourne Observer', I will say it anyway.
[Laughter.]

I am grateful to the Federation of Small Businesses, which has provided me with some interesting statistics on the importance of SMEs to the Northern Ireland economy. Their role is pivotal — they account for 81% of all private-sector employment in the Province; they employ 500,000 people; and 41% of the entire employment in Northern Ireland is in the SME sector, compared with 32% in the rest of the United Kingdom. We are dealing with the engine of our economy. If we allow the SME sector to stagnate or decline dramatically, the impact on the entire Northern Ireland economy would be very severe.

I will deal with one issue that I am sure other honourable Members have been faced with: the difficulty in obtaining funding. I have been approached by companies in my constituency that have very strong credit ratings; have had a long history of borrowing from one of the big four established banks in Northern Ireland; have had no default on their credit; and have paid their monthly instalments to the bank with no difficulties whatsoever. That has enabled them to grow as SMEs, and to increase employment.

Since the onset of the credit crunch, however, those perfectly reputable and solid institutions are finding it more and more difficult to obtain not new credit, but simply an extension to the credit that they enjoyed for decades.

I was approached by a company in my constituency that employs 120 people and that has run into a brick wall in trying to obtain further credit that would allow it to continue to employ and to invest. Indeed, the FSB has indicated that one third of SMEs in Northern Ireland have experienced difficulties in obtaining adequate funding for future expansion.

We all welcome the Ulster Bank's decision to make £250 million available for small companies to invest. However, would that have happened had it not been

for the link between the Ulster Bank and the Royal Bank of Scotland? The Government now own some 70% of that bank's shares, which has forced its subsidiaries to start lending to small business. Where are the Bank of Ireland, Allied Irish Bank and the Northern Bank — the other three major banks in Northern Ireland — when it comes to providing much-needed finance for companies? The problem for customers of those three banks is that it can be very difficult to transfer to the Ulster Bank for all sorts of technical reasons. Therefore, the new funding is available only to new companies that are starting up or to existing Ulster Bank customers. That sector is experiencing major difficulties.

Furthermore, there seem to be real problems with the enterprise finance guarantee scheme, which is itself an excellent proposal. However, so far in Northern Ireland, only 3% of SMEs have been able to avail themselves of that scheme. We require a dramatic increase in the liquidity and availability of funding; but not rash funding, because we all realise why we are in this mess. It is because banks, particularly in America, were prepared to lend money to companies and individuals who had no prospect of being able to repay their loans — the toxic-debt syndrome. The problem is that we have swung in the opposite direction. We are now in a situation in which perfectly reputable and solid companies cannot go any further. Without funding, it is curtains for some of those companies.

I urge the Minister to use her good influences to try to ensure an easing of that particular logjam. I realise that the Minister and the Department have a limited role, because we are dealing with large, multinational banking companies. As much as I would like the Minister to be able to walk into the headquarters of any of those large banks, crack a whip and tell them what to do, that could be difficult. However, I would like to think that the Executive and the Minister can use their influence to tell the banks to start lending again to solid companies in Northern Ireland in order to get people back into employment. If that does not happen in the next six or seven months, I will be deeply concerned about the future of SMEs in Northern Ireland.

The Minister of Enterprise, Trade and Investment (Mrs Foster): I thank the Members who tabled the motion, as it allows me to reaffirm my Department's commitment to supporting our SMEs, which are, effectively, the backbone of the Northern Ireland economy. Despite the pejorative remarks that were made at the beginning of the debate, it also enables me to clarify the policies, programmes and resources that are in place and that seek to have a positive impact on the local SME sector.

I wholeheartedly reject the allegation that I am cocooned or that I am arrogant with regard to our small

and medium-sized enterprises. Why would I have asked for a review of Invest Northern Ireland and departmental policies if I were arrogant or cocooned? Why, if that were the case, would I have asked a subgroup of the Economic Development Forum to bring forward actions for the short term? Why would I have listened to the concerns that were raised with me about the Start a Business programme, particularly on the removal of the grant system? Why would I have asked for a review of that programme and for evidence of the impact that the removal of the grant system has had on it?

In common with other UK regions and countries across the globe, Northern Ireland is now facing significant economic pressures. The private sector has been reporting substantial job losses, and of all the confirmed redundancies in the past year, about half were from our SMEs. That is a worrying indication of just how difficult current trading conditions are. In January 2009, for example, Invest NI clients reported a total of almost 600 redundancies, compared with a previous monthly average total of 226 redundancies.

Based on its current levels of work in progress, Invest NI has also seen evidence of a reduction in business development activity across the sectors. That suggests a mood of caution, with clients deciding either to defer or, indeed, to slow down investment plans. That situation extends beyond the indigenous business base, with the early-stage pipeline of new FDI prospects also reduced significantly in comparison with those that existed at the same point last year.

However, given that we have a regional economy and a large public sector, historically, we have been somewhat insulated from the most marked swings in the economic cycle. Obviously, our proximity to the Republic of Ireland and the current exchange rate also work to our advantage, particularly the impact on the retail sector and the opportunities for export. Those factors, to some extent, should help to cushion our economy from the full — and I mean, “the full” — impact of the downturn.

Indeed, independent economic forecasters — and not just Oxford Economics — indicate that, as regards output and employment, Northern Ireland will not be more adversely affected than the other UK regions during the downturn. I get a range of forecasts, not just those from Oxford Economics. However, I have told Members time and time again that economic forecasting is not an exact science, and, at present, those forecasts can range in difference.

We have a regional economy, but we also have a SME economy. In 2007, there were an estimated 132,000 business in Northern Ireland, 99% of which were small and medium-sized enterprises — businesses employing fewer than 250 people. Small and medium-

sized businesses account for 81% of the private-sector employment in Northern Ireland, compared with 59% in the UK as a whole. Therefore, SMEs really are what Northern Ireland is all about.

Government support for businesses in Northern Ireland is therefore largely directed towards assisting the SME sector. The SME business base is core to the success of the Northern Ireland economy, and Invest Northern Ireland contributes towards its development by providing support to new start-ups and the expansion of existing business.

Invest Northern Ireland also continues to develop new schemes of support focused on encouraging business starts and accelerating the growth of its SME clients. One such example is the growth accelerator programme, which is specifically tailored to meet the needs of small businesses by providing a short assessment and assistance of up to £130,000 to help SMEs to enter new markets or to bring new essential skills to their businesses.

I reject the allegation that we do not help the manufacturing industries and that we identify those as sunset industries. I accept that the area of manufacturing has been the subject of some of the worst news. However, some indigenous manufacturing companies have also been the subject of our best news, especially those in the areas that Invest Northern Ireland identified as growth areas such as pharmaceutical companies, including Radox Laboratories and Almac Sciences.

Some 28% of the assistance offered goes to contact centres in ICT, and the remaining 72% goes to all other sectors, which includes manufacturing in its widest sense.

We held 10 seminars — attended by representatives from 560 clients companies — across Northern Ireland to help deal with the credit crunch. Participants at the events had the opportunity to discuss their individual business needs in detail and to identify key projects to improve their performance and the possibility of taking advantage of the £5 million accelerated support fund.

The EU has introduced a temporary relaxation of some state-aid measures in response to the current economic conditions, because viable businesses are under pressure — a point that was well made by my friend Mr Wells — and in difficulty, through a squeeze on credit and a weakness in demand.

The UK Government, through the Department for Business, Enterprise and Regulatory Reform, have notified a framework for small amounts of compatible aid under this temporary relaxation, and my officials are urgently considering how those flexibilities can be used to help Northern Ireland businesses to weather the economic storm.

Meanwhile, Invest Northern Ireland continues to work hard with its clients to identify and exploit new

export markets, particularly given the advantages presented by the current exchange rate. During a trade mission to the Netherlands, I saw at first hand the determination of our local companies to establish and cultivate trade links with our European neighbours. Mr Shannon made that point.

12.00 noon

In relation to Mr Butler's point about working more closely with councils and local enterprise agencies, he will be pleased to know that I was in Lisburn at 7.45 am today to attend a credit-crunch seminar hosted by his own council. We have run a series of such seminars, and have recognised that the client base of Invest NI is limited. We wanted to work with companies that are not clients of Invest NI. Therefore, we have worked in partnership with Enterprise Northern Ireland, the district councils and the Northern Ireland Chamber of Commerce and Industry, and we have developed a programme that provides the wider local business community with the opportunity to avail itself of specific advice and guidance regarding the current economic climate and its impact.

Mr Cree mentioned energy prices in Northern Ireland, which are a worry to a lot of firms. Indeed, all Northern Ireland businesses can access the Carbon Trust's interest-free loan scheme that is doing a tremendous job to achieve its aim, which is to maximise energy efficiency. I understand that around 940 companies have benefited from energy-efficiency advice and that a couple of hundred more companies will benefit from that advice this year.

Mr Cree commented on the need for more money, as expressed by Mr Roberts of NIRTA. Members know that I have repeatedly said — in the Chamber and outside — that I will be very sympathetic towards any application for further funding from the Carbon Trust in relation to energy efficiency. However, to date, I have not had any approaches in respect of that issue. Therefore, it is not a case of my not sending the right messages to people. If that approach is made, I will be very sympathetic.

Many Members, among them the Chairperson and Mr Neeson, spoke about the Start a Business programme, which has operated for around nine months without a grant. I said at the beginning of my speech that concerns about that issue have been relayed to me, and that I was keen to continuously monitor the impact of grant withdrawal, particularly given the rapidly changing economic conditions. I have asked Invest NI to commission an independent review of the evidence to date, and to seek the views of clients who have dropped out of the scheme. I hope to have that before the end of the week. Once the independent review is completed, I will share the report's findings with the Enterprise, Trade and Investment Committee and with Members in general.

The current programme will close at the end of March 2009. The new enterprise development programme, which Mr Neeson referred to, will commence in April.

Members mentioned our local banks during the debate. Members know that I have met representatives of the banks in order to discuss concerns that have been raised. I also raised concerns about the conditions that apply to new national schemes that have been introduced. Mr Wells spoke about the enterprise finance guarantee scheme, and assured me that the new scheme is designed to be easier to administer than the old — small firms loan guarantee — scheme. My Department is working with local banks to try to get the information out there so that we can have a better take-up than the small firms loan guarantee scheme, to which Dr McDonnell referred. For some reason, Northern Ireland had a very poor take-up of that scheme, compared with the rest of the UK.

Meanwhile, Invest NI's offer activity at the end of January 2009 totalled almost £130 million; twice as much as was offered at the same point last year. Innovation and capability development also showed significant increases of 28% in offers and 79% in assistance.

Inward investment projects approved, to date, in 2008-09 intend to promote 2,981 new jobs and safeguard a further 993 existing jobs. That corresponds to increases of 140% and 180% respectively, compared to the position this time last year.

Although those provisional results indicate a successful year for Invest NI, it is likely, and we must be cognisant of the fact, that many investors may bank those offers of assistance in preparation for a medium-term upturn. In other words, they may not take advantage of the offers that have been made to them, which, in turn, will mean that the drawdown of those commitments will be delayed — something that we must bear in mind.

Closer examination of Invest NI's work-in-progress statistics also shows a significant decline in the number of potential projects that are scheduled to come to fruition in the medium to long term.

The number of long-term larger projects in the pipeline has decreased by 55% compared with the same period in 2007-08. In the current global climate, it is to be expected that some prospective investors will want to defer projects for implementation in the medium term. However, it is important to realise that we are talking about deferment, and not the closing of the door that has been mentioned by some Members today. I agree with Mr McLaughlin's comment that it would be foolish not to pursue further FDI. We can build our small and medium-sized enterprises in Northern Ireland while looking for the inward invest that is needed in the region — the two actions are not mutually exclusive.

Ms J McCann and Mr McLaughlin made comments about public procurement: I heard what Mr McLaughlin said on the issue and will examine it. Ms J McCann will know that InterTradeIreland is doing some very good work on public procurement and is holding seminars across the island of Ireland to try to help smaller contractors get Government contracts. I received an update on that work recently.

As we move through the economic downturn, continuing to pursue value-added inward investment is central to the success of my Department and the long-term goals of the entire Executive. Northern Ireland continues to display the strong attributes that make the region attractive to investors, such as a highly educated workforce, strong infrastructure, competitive costs, proximity to Europe and a pro-business focus. All of those attributes are very strong selling points for Northern Ireland.

My departmental policies and resources cannot be looked at in isolation, which was a point made by my friend the Member for East Belfast Robin Newton and the Member for Strangford Mr Shannon. As chairperson of the Economic Development Forum, I established a private-sector led subgroup to consider additional measures to help businesses through the economic downturn. The initial recommendations of that subgroup point to a range of cross-departmental actions, which cover my Department, DRD, DOE, DEL and DFP. Those recommendations include: assisting the construction sector; identifying financing issues that affect SMEs; suggesting financing solutions and identifying medium-term actions to prepare for the future upturn. I hope that we will be able to discuss that report at the Executive in the very near future.

We cannot change the world, but we can offer support to businesses at this difficult time. We will continue to work alongside our local businesses to help them reduce the impact of the downturn, enable them to sustain their businesses, and help them to prepare for the future so that when confidence in the financial markets returns, they will have the skills and tools to take early advantage of the improvements. I am glad that I had the opportunity to clarify some of the points that were raised in the debate.

Mr B McCrea: Perhaps it is in the nature of politics that people are inclined to think that their particular view of the world is correct. They try to lecture other people, telling them to listen carefully because they might learn something. I also suspect that while people are doing that, they are also tempted to make party political points in order to explain why their side knows better and that the other side is missing the point. In the current circumstances, that is not the right way forward.

I declare an interest as a former chief executive of Northern Ireland Manufacturing, and I will refer to

some of the issues that I learnt during that period. For the record, I am also a director of Atlas Communications. The issue that one learns when talking to a body such as Northern Ireland Manufacturing is that one has to win a battle to convince people that there is a right way forward. I put it to Members, gently, that not everyone was always fully supportive of a cap on industrial derating, and a look through the Hansard reports of debates over a number of years is quite illuminating. I mention that only because some of what I say may be of some help.

The Minister started her speech by asking why she was being accused of being arrogant, out of touch, insular, etc. What I want to do is to find a way to work collaboratively and collectively with everyone.

Certain points were made that merit attention. Of particular concern is the issue of construction. Some Members talked about the very important steps that the Ulster Bank has taken, and mention was made of an economic survey that I suspect that everybody has read. Northern Ireland went into recession before the global economic downturn because of an unsustainable housing boom. Our Celtic tiger economy was built without Celtic tiger industry.

In case anybody has difficulties with the language, I shall cite a particular Ulster Bank document, which states that Northern Ireland house prices were two thirds of the UK average in April 2005, and all regions, bar Scotland, had prices above Northern Ireland. That document also states that Northern Ireland had overtaken the UK and ROI averages by February 2007, and prices were increasing by 56% each year.

In addition, the document highlights that Northern Ireland had the third-highest house prices of any UK region by August 2007, but Northern Ireland has the lowest average wages in the UK and the highest rates of economic inactivity, as we all know. Furthermore, the paper states that Northern Ireland is expected to fall back down the regional house price table, and its position will reflect its economic fundamentals.

I want to hear from the Minister, her Department and her Executive colleagues what exactly their ambition is for Northern Ireland. What is the Minister's vision for the economic future of this place? How will Northern Ireland make its way in the world? I very much suspect that it will not be on the basis of a return to a construction boom that is based on housing. We must find some way of adding value that can be invested in our other services.

I want the Minister to be a business champion. I am quite sure that she will take on that challenge. When all sectors of industry evaluate the question of who understands their challenges and can resolve their issues, the answer should be the Minister of Enterprise, Trade and Investment.

I now come to some of the comments that were made by colleagues around the Chamber. Leslie Cree posed a question about what more could be done. I suspect that we will hear more bad news sooner rather than later. The public will quite rightly ask those of us who make our living up here what we are going to do about the situation. There is no room for complacency. If we are to maintain the confidence of the public, we must be seen to be doing something.

Mark Durkan made quite a prescient comment when he asked what else can be done. My answer is that we must examine risk. A number of Members said that all businesses are contracting and becoming averse to risk. The trouble is that that leads to illiquidity, which perpetuates the global downturn. Government must take the lead in removing — and encouraging people to take — risks. That is not something that Government, particularly civil servants, traditionally do.

Simon Hamilton mentioned Invest NI and the creation of jobs, but we all know that all we have really had is churn. Over the past five years, many jobs have been lost from the highly paid and high GVA manufacturing sector. Those have been replaced with short-term part-time jobs in the service industries.

The Minister of Enterprise, Trade and

Investment: The Member obviously missed the jobs announcement by First Derivatives plc, the average annual wage of which is £40,000. Does he accept that that is a good investment?

Mr B McCrea: I am not sure why the Minister feels the need to highlight that point. The big challenge for Northern Ireland is productivity. In previous statements, her colleague the First Minister said that Northern Ireland must address productivity. We must generate more earnings from the existing workforce.

Jennifer McCann quite rightly highlighted procurement issues. Procurement frameworks are detrimental to SMEs. Rather than just talking about that, I would like to see some forward movement.

I listened to what Robin Newton had to say. I apologise for agreeing with him on three or four points, because that will probably not go down terribly well.

However, he was right to say that we must work collectively, and he was correct in saying that the upgrading of skills is key if the economy is to emerge from the crisis. He used a good turn of phrase when he said that we must not mistake “activity for action”. I agree with Mr Newton that there must be a balanced approach to dealing with FDI, as well as SMEs.

Mr Newton: Will the Member give way?

Mr B McCrea: I will only give way for a quick point, because I wish to finish.

12.15 pm

Mr Newton: I also described the motion that was proposed by Mr Cree and Mr McFarland as weak, because it does not call for collective action.

Mr B McCrea: I realise that Mr Newton and I do not agree on every point; perhaps that will get him off the hook.

I am about to finish the political career of another Member now. Speaking towards the end of the debate, Jim Wells derided his own lack of anything to add. However, he hit the nail on the head and made what was by far the most pressing contribution to the debate. He acknowledged that what the Ulster Bank is doing is great, but he asked what action is being taken by the other big three banks — and I think that I am right in taking that to mean the Bank of Ireland, the Allied Irish Bank (AIB) and the Northern Bank? The problem is that two of those banks are headquartered in the Republic of Ireland.

Perhaps the Minister of Enterprise, Trade and Investment will raise my next question with her Executive colleague Nigel Dodds: why has he not gone to speak to Brian Lenihan, and why did he not attend the meeting of the North/South Ministerial Council at which the banks were discussed? The one question that I want answered is why the Bank of Ireland and AIB are not following the suit of the Ulster Bank by enabling businesses to access funds. Pressure must be brought to bear from the highest level on those banks.

Alasdair McDonnell talked about capital grants, and he has a point; a way must be found to encourage expenditure by the private sector. I want to find out what the Minister might do in that regard.

The Minister of Enterprise, Trade and Investment: Will the Member give way?

Mr B McCrea: I would give way to the Minister, but I have only enough time to conclude.

I want a different attitude to be taken to risk, and that should be led by the Government, perhaps in agreement with the Assembly and the Public Accounts Committee. I also want a new approach to procurement, particularly to the frameworks that do not help the SMEs. In light of the Ulster Bank’s initiative, I want action to be taken on the banks whose headquarters are in the ROI. Most importantly, I want the Minister to outline her vision for the future of Northern Ireland after it emerges from the current economic mess.

Question put and agreed to.

Resolved:

“That this Assembly notes with concern the growing negative impact of the current economic downturn on small and medium sized enterprises; recognises that global economic circumstances have significantly restricted the flow of Foreign Direct Investment; and calls on the Minister of Enterprise, Trade and Investment to refocus her Department’s policies and resources on support for small and medium sized enterprises.”

ASSEMBLY BUSINESS

The First Minister (Mr P Robinson): On a point of order, Mr Deputy Speaker. Before the debate on the Alliance Party's motion, I wish to raise a point of order to which I do not expect to receive an instant answer because of its complexity. However, it is an issue that the Speaker, the Business Office and Members must consider, at least in future.

Every Minister in the Executive operates on the basis of his or her legal authority. Part of the decision-making process in which any Minister is involved requires him or her to carry out certain duties that relate to that decision. If they do not carry out those duties properly, their decisions can be judicially reviewed.

Nowhere is that more important than in the office held by the Minister of the Environment, particularly when the decisions are on planning matters. The Minister responsible for the Department of the Environment is required by law to consider matters, including the call for a public inquiry, under certain criteria. However, the resolution to which the Alliance Party asks the Assembly to agree would impose a duty on the Minister to obey.

It would be all right if it were a local council calling on the Minister to look at a matter, but when the Assembly calls on a Minister to do that, the Assembly itself has power, in that under the Pledge of Office, which is now part of our ministerial code, a Minister is compelled by law — the Pledge of Office has statutory authority — to act in accordance with the Assembly's decision. Therefore, if the motion were to be passed, the Minister would be compelled by the Assembly's decision to act — not because of the legal requirements that he must take into account, but because of the Assembly's decision to call for a public inquiry.

Therefore, two competing legal obligations are placed on the Minister: the normal legal obligations — laid down in planning law — that he must consider when calling a public inquiry, and the Pledge of Office/ministerial code requirement, which may require a decision in a different direction to be taken. The Minister can be punished if he does not obey.

Those conflicting matters put the Minister of the Environment in an impossible situation. The Assembly does, on this occasion, have a way out, because the DUP has tabled an amendment that does not do violence to the Alliance Party's overall ambition but expresses a view for the Minister to take into consideration. That is very different from requiring him to take a decision.

I draw that point to the attention of the House. We are all on a learning curve — officials included — but I am not sure whether the wording of the motion should have been allowed to appear in the Order Paper,

taking into account the legal obligations that are placed on a Minister.

Mr Deputy Speaker: I will refer that point of order to the Speaker for resolution.

PRIVATE MEMBERS' BUSINESS

George Best Belfast City Airport

Mr Deputy Speaker: The Business Committee has agreed to allow up to one hour and 30 minutes for the debate. The proposer of the motion will have 10 minutes in which to propose and 10 minutes in which to make a winding-up speech. All other Members who are called to speak will have five minutes. One amendment has been selected and published on the Marshalled List. The proposer of the amendment will have 10 minutes in which to propose and five minutes in which to make a winding-up speech.

Mr B Wilson: I beg to move

That this Assembly calls on the Minister of the Environment to set up a public inquiry under Article 31 of the Planning (NI) Order 1991 in relation to the application to extend the runway at George Best Belfast City Airport, in order to properly test all of the relevant economic and environmental arguments.

From what the First Minister has said, the wording that he has suggested may be appropriate, but I will return to that presently.

I will clarify my views on the motion: I am totally opposed to the runway extension at George Best Belfast City Airport. However, that is not the intention of the motion, which calls for the extension application to be referred to a public inquiry. The support for a public inquiry is widespread, ranging from local councils, including those most affected — Belfast and North Down — to many thousands of local residents, and from the largest user of the airport, Flybe, to Belfast International Airport. Those concerns must be addressed in a transparent manner, and that can be done only through a public inquiry.

This is not a straightforward planning application. It will affect the lives of thousands of residents and will be of strategic significance to the development of the Northern Ireland economy. It raises important and serious structural, social and environmental issues, which cannot be examined under the normal planning process. The case for there being a public inquiry under article 31 of the Planning (Northern Ireland) Order 1991 is overwhelming. It is essential that stakeholders have an opportunity to make their case.

A public inquiry would give those people most affected — particularly those in Holywood and east Belfast — the right to have their concerns and views heard. It would allow for the independent scrutiny of the noise, health and environmental impacts of the proposed extension. In particular, it would enable the examination of the impact of the changes made under the 2008 planning agreement, and the introduction of the larger Boeing 737 aircraft last year.

The inquiry would also examine the economic benefits and disbenefits to the Northern Ireland economy overall and evaluate the impact of the possible displacement of passengers from Belfast International Airport, potentially threatening its long-term viability and its ability to compete with Dublin Airport.

The company involved promotes the issue of an extended runway as being the environmental impact on residents against the economic benefits to the Northern Ireland economy. That grossly underestimates the environmental impact and exaggerates the economic benefits, if any.

Nowhere does the company attempt to justify its claims of economic benefits, which must be considered by a public inquiry, because, although there would be financial benefits for the company, there is no evidence of benefits to the economy as a whole. Indeed, the 2003 White Paper, 'The Future of Air Transport', suggested that any increase in airport capacity in Northern Ireland should take place at Belfast International Airport.

Several economic benefits have been suggested. First, there would be increased employment. New jobs would be created in constructing the runway; however, in the long term, few new jobs would be created. The proposed increase in the number of flights is less than 10%, which is unlikely to create extra jobs in servicing the airport. Any new jobs are likely to result from the displacement of jobs from Belfast International Airport.

Secondly, it has been suggested that tourism would increase. Most tourists expect to travel 10 or 20 miles after arriving at a foreign destination — Ryanair passengers normally expect to travel at least 50. Being able to travel the slightly shorter distance from Belfast City Airport would not be likely to influence a tourist wishing to visit Northern Ireland.

Thirdly, increased business traffic is envisaged. Belfast City Airport already provides an excellent service to most UK cities. Unfortunately, no European city can justify a regular flight to Belfast based on business travel alone, and in the past year, it has been necessary to withdraw routes to several European cities. Indeed, the present business user is more likely to be discouraged by having to queue behind 300 holiday makers bound for Tenerife or Malaga.

Mr Weir: Will the Member give way?

Mr B Wilson: No, sorry.

I suspect that Flybe opposes the extension because it would disrupt its regular business custom to British cities and change the nature of the airport.

Belfast City Airport has waged a propaganda campaign against a public inquiry, stressing economic advantages for the local economy; it even commissioned a poll to demonstrate how much the public supports its plans. However, the poll asked the wrong, and leading,

questions, it ignored the main issues, such as the environment, and it polled the wrong people — for example, businesses in Belfast city centre were polled, but those in affected areas, such as Holywood, Sydenham and east Belfast, were not. In addition, most of the research was carried out before the proposed runway extension became public knowledge. As a reflection of public opinion, the poll has no credibility.

As an economist, I envisage no significant economic benefits from the proposed runway extension; on the other hand, I do envisage serious social and environmental problems. The new planning agreement allows a significant increase in passenger numbers and an additional 3,000 flights; the arrival last year of Ryanair's Boeing 737s caused a 122% increase in the number of people who are significantly affected by noise. Before considering further increases, the impact of those changes on local residents should be assessed. Despite assurances that flights would be directed over Belfast Lough, almost 90% of planes still fly over residential areas.

The runway extension will lead to increased noise pollution. The extension has been proposed in order to allow fully loaded, fully fuelled large jets to take-off, using the full length of the extended runway. Given that larger planes are much heavier, take-offs would inevitably be lower and louder.

The Eastern Health and Social Services Board — a key strategic consultee — has voiced major reservations concerning the increased risk to health that the extension would pose. However, the board was not consulted by the Planning Service, so a health-impact assessment has not been carried out.

Thousands of people are forced to endure the airport's unrelenting expansion, which affects them greatly, while fewer than 20 miles away, a two-runway airport exists, with plenty of spare capacity, no noise issues, no need for an operating curfew, no cross-wind problems, no bird reserve considerations, and no densely populated areas in the vicinity.

One must ask why the company is so opposed to a public inquiry. Why is it against open public debate? In the absence of an overall strategic examination of the airport's capacity, a public inquiry is required to answer several questions. Although developing a regional plan for airports is a reserved matter, this region's airport capacity should be assessed.

One must ask oneself how the economy will benefit from the runway extension. I query whether it will benefit.

12.30 pm

Dr W McCrea: Does the Member agree that it would be foolish to make a decision in a piecemeal fashion without obtaining a proper strategic aviation

strategy for Northern Ireland? Surely it is vital that such a strategy is produced for Northern Ireland. That will ensure that we are doing what is right for the economic advancement of Northern Ireland plc and not for one area of Northern Ireland.

Mr B Wilson: I thank the Member for his intervention. I agree with his comments; perhaps I did not make the point as clearly as he did, but that is what I intended to say. The decision should not be based on a one-off event; we should look at the overall strategy.

How will the extension meet the European criteria for a city airport? There are restrictions on city airports, and we must establish whether the new extension would comply with those restrictions. One should also ask oneself whether major infrastructure improvements will be required. At many times of the day, the Sydenham bypass is like a giant car park. Do we want to increase the number of cars using that bypass? How would that increased usage affect passengers?

There are many other questions to ask. Would the increase in noise and air pollution that would be suffered by the residents of north Down and east Belfast be acceptable? How would the displacement of tourist traffic impact on Belfast International Airport? Will Belfast International Airport be denied the critical mass of passengers to compete effectively with Dublin Airport for international flights? What are the long-term implications for the development of air travel in Northern Ireland? Will we see further applications to expand the number of flights at George Best Belfast City Airport?

Recently, I asked Brian Ambrose for an assurance that he would not seek a further increase in the number of flights for the airport. He was unwilling to provide that assurance. However, the runway extension will not make economic sense unless there is a significant increase in flights. I assure Members that there will be further applications if the extension is approved.

Those questions and many other issues need to be resolved, and that can be done only through a public inquiry. I commend the motion to the House.

Mr Deputy Speaker: The Business Committee has arranged to meet immediately upon the lunchtime suspension. I propose, therefore, by leave of the Assembly, to suspend the sitting until 2.00 pm when Mr Jimmy Spratt will be the first Member to speak.

The sitting was suspended at 12.32 pm.

On resuming (Mr Deputy Speaker [Mr Dallat] in the Chair) —

2.00 pm

Mr Deputy Speaker: I advise the Assembly that the Speaker is satisfied that it is in order for the debate to proceed. As the Speaker will consider and take counsel on the wider issues that were raised by the First Minister, I do not intend to take any further points of order on this matter.

Mr Spratt: I beg to move the following amendment: Leave out “to set up” and insert “to take note of the view of this Assembly that there should be”.

I ask the Minister to note the view of the Assembly with regard to a public inquiry into the proposed runway extension at Belfast City Airport.

I am elected to the House as a representative of the people of South Belfast, an area in which a significant number of households are affected by runway noise and the environmental impact of the nearby airport. I also represent the businessmen of the South Belfast area, and other sectors that benefit from having an easy, accessible airport on the doorstep of the city centre. I also represent the unemployed of that area, who desperately seek employment opportunities at this time and young people who are seeking apprenticeship opportunities.

In the light of the variety of such interest groups, the proposal to extend the runway at Belfast City Airport left me, and my colleagues in East Belfast, questioning how best to represent the diverse opinions in that constituency. As the Minister comes to a decision regarding the need for a public inquiry, it is vital that all issues pertaining to the runway extension planning application are rigorously examined in detail, to ensure that all environmental planning and technical issues are addressed fully by the Planning Service.

It is vital that the Minister considers the concerns of the people who, everyday, live under the flight path and whose lives are impacted upon because of where they live. Furthermore, it is important that the economic development of Belfast and Northern Ireland plc is also considered fully. There is much debate over the environmental impact that any extension of the runway would bring. We note the concerns of residents who express alarm at a rapid increase in the number of flights a year, an increase in the number of large, noisy jets, and the subsequent noise pollution and fear of increased health risks.

In contrast, the application argues that the extension will not involve any change to the number of flights or the size of aircraft using the runway. Furthermore, representatives of Belfast City Airport state that any change in noise level will be indistinguishable. The

Minister must consider those differences in opinion as he reaches a decision regarding a public inquiry.

We must also consider the economic impact of a runway extension at Belfast City Airport. Again there is a difference of opinion, this time between representatives of that airport and representatives of Belfast International Airport. Representatives of Belfast City Airport state that an extra 100 jobs would be created if a runway extension takes place and that, with the runway extension, George Best Belfast City Airport anticipates over 500,000 European visitors, which will generate £120 million of tourist revenue. That will have obvious benefits to tourism, local business and the wider economy.

However, set against that are the arguments put forward by representatives of Belfast International Airport. They argue that, in order to establish and sustain a firm competitive platform, the Northern Ireland Executive must be mindful of the example south of the border. In the Irish Republic, a strategic focus has been put on Dublin Airport as its single most valuable asset. The representatives of Belfast International Airport argued that the runway extension will result in jobs being displaced rather than created, and that fragmentation of the market in favour of our key competitor at Dublin will only ensure that our capacity as a region to invest in key target routes for tourism and inward investment will be seriously depleted.

Those are just some of the arguments and differing opinions that have arisen from the planned extension of the runway at George Best Belfast City Airport, and those arguments have resulted in calls for a public inquiry. That has brought out a difference in opinion. A public inquiry is considered only where that process will provide additional information to inform a final decision that is not available through final consultation.

I urge the Minister to consider whether that is the case, in light of the continuing differences of opinion that I have just outlined. If he believes that to be the case, then he should call for a public inquiry; if not, then he should act accordingly.

Mr A Maskey: Go raibh maith agat, a LeasCheann Comhairle. I support the motion in its call for a public inquiry. The Member for South Belfast has, in his own way, argued for a public inquiry, even though the DUP amendment does not call for that. However, I accept that Mr Spratt has a number of clear differences of opinion. He urged the Minister to consider all of those, and, at that point, decide whether to call for a public inquiry. In some ways, the Member lent some support to the notion of a public inquiry.

My party supports the call for a public inquiry, precisely because it feels that there are a great many competing and fundamental differences of opinion, which I do not want to go into this afternoon — a

number of other Members wish to contribute to the debate. However, many of those issues are around wider regional strategic matters, including finance, the environmental impact, and so on. I do not want to rehearse any of those arguments.

However, I want to make a number of brief points. I want to place on record the fact that, in my view, the management of Belfast City Airport has, over several years, done a tremendous job in trying to ensure that it runs an excellent facility. It would be fair to say that the travelling public who use the airport have, increasingly, found a much better and more professional service. However, in saying that, I know that some people in my constituency, and in the neighbouring constituency, will not be too pleased to hear it. Nevertheless, I want to place on record the fact that the management has done a good job within its remit to expand the airport and make it a much better facility for those who use it and those who work there.

I remind the House that the original permission for the airport, which was supported by all the parties in Belfast, was on the basis that it would be a city airport. Arguments were put forward clearly and cogently at the time that such an airport would be of great benefit to the economy of the city and further afield. It was always designed, planned and intended to be a city airport, not an international airport.

Mr McLaughlin: Does the Member agree that this is a small regional economy with a population of 1.7 million and that we have airport facilities in a number of locations? Belfast International Airport has significant unused capacity, and it is critical that any development proposal for the airports should take account of the strategic overview and be deployed in the interests of continuing to develop the economy here.

Mr A Maskey: In my opening remarks, I said that we must consider any development or expansion plans for the George Best Belfast City Airport in the wider regional strategic context. Therefore, I agree with the Member.

I remind Members that this was always intended to be a city airport, and permission was granted on that basis. It is also important to remind ourselves that a number of conditions were placed on the operation of the airport, and that all of the important environmental standards had to be adhered to.

The operating licence imposed restrictions on the times and number of flights. There was also the important issue of the flight path over Belfast Lough. My concern is that those stipulations have not been well adhered to, particularly the stipulation about the use of the flight path over Belfast Lough. I expressed those concerns directly to airport management on a visit to the site only a few months ago.

Although I imagine that the travelling public would very much welcome any extension or expansion of Belfast City Airport because it is within easy access of the city centre, for a growing number of residents of south and east Belfast, there is the ongoing — and, in my view, greatly increasing — problem of the noise of the aircraft flying over very densely populated areas, and the regularity of those flights. Residents of those areas are right to be very concerned and worried about expansion plans.

It is important to note that none of the airlines, bar one, supports such an extension of the runway for the reasons outlined by the owners of the airport, who are making the application to extend it. I believe that the arguments for an extension are essentially being made for the purposes of competition, and, indeed, in some ways, monopoly. Therefore, I believe that we must think about the motivation of those who are making the proposals. Essentially, we are talking about one airline. Certainly, from my point of view, it seems that that particular airline is really looking at the rich pickings of other airlines in the region.

I wonder whether, in the longer term, Belfast City Airport is really only being used as a stepping stone to bigger business and commercial interests. Those may well be opinions, but I remain to be convinced of the wisdom or benefit of those decisions in the longer term. I support the call — primarily from the residents — for a public inquiry, because this matter is of fundamental concern to those who live in the general area, and it will remain a fundamental concern long into the future.

Mr Beggs: I support the motion, which calls for a public inquiry into a possible expansion — yet again — of Belfast City Airport. A decision to grant or refuse planning permission for an airport runway will have a significant effect on the economy and the local environment. The pros and cons must be carefully weighed up before a balanced decision is made.

A public inquiry is the best method of ensuring that the wider public is fully consulted and the public interest fully considered in reaching a decision. It would enable further evidence to be presented and allow for greater scrutiny than occurred previously in the limited pre-Christmas planning consultation.

As other Members have said, Belfast City Airport is one of only four airports in the EU that have been designated as city airports, and there is a particular directive that enables tighter restrictions to be placed on them in order to protect the local residents and communities. However, we must recognise that economic advantages would flow from an extension. It would enable the Boeing 737-800s to carry a full load, which would give access to many European destinations. Those are the planes that are specifically operated by

Ryanair, and it is demanding the runway extension to optimise their use. They are best suited to the longer European routes, but, of course, they can also be used for shorter regional routes. Ryanair is a ruthless, highly successful low-cost airline and could expand the range of its destinations from Northern Ireland. That would benefit our local travellers and bring additional tourists to Belfast and Northern Ireland, but at what cost?

Air links will be particularly important to the tourist sector, which is increasing in size as we pick up on the opportunities that were lost during the many years of terrorism. There has been no detailed assessment of whether we are talking about displacement of flights from one airport to another. That issue could be examined in a public inquiry. Ryanair is clearly the driver of the proposal. Low-budget airlines are well known for their use of secondary airports, often calling at airports further away from the ultimate destination. Is that simply a mechanism that they are using to drive down a better deal with Belfast International Airport? What exactly is going on? Why are they not using an airport further out from the city, which would allow for greater flexibility as regards landings and take-offs?

2.15 pm

Mr McGimpsey: I thank the Member for giving way. I speak as an MLA for South Belfast. My office deals routinely with complaints about the noise emanating from low-flying aircraft flying out of Belfast City Airport. Bearing in mind the very strong, clear public-health arguments and the very strong public-safety arguments — not least because low-flying aircraft are flying over the city, over housing, and over the harbour estate, with all the combustibles that are located there — is it not disgraceful that the chief executive of Ryanair, Michael O'Leary, is reported in the 'Belfast Telegraph' as saying:

"We would like to do more and base more aircraft here and are working with Brian Ambrose of City Airport to get the runway extended. Let's get the planning permission through, and let's ignore the mewling and puking from local residents, which is a load of nonsense."

That sort of comment is a clear demonstration of the contempt that the applicant holds for the entire process. For that reason alone, we need to have a public inquiry.

Mr Beggs: I concur. Those are very unfortunate remarks, which should not have been made, and I am sure that if Michael O'Leary lived under the flight path, or close to the airport, he would not have made them.

The issue of using a particular plane is interesting. Ryanair's heavy jets are particularly noisy, and, essentially, they could displace the quiet Bombardier Q400 turboprops, which are more environmentally friendly and quieter. There is greater flexibility with regard to their size, and the plane can be matched to the demand. That is a significant issue.

The number of flights has been increasing steadily at the airport, and it is just under the critical threshold of 50,000 at which health impact statements would be required. There can be no doubt that the proposal to extend the runway for the jets would affect the whole neighbourhood, and it would be significant for Northern Ireland.

There are almost 8,000 people living within the 57-plus decibel noise level 2008 envelope. Therefore, there is clearly a need for a public inquiry, and that has been supported by Belfast City Council. I also understand that there have been almost 2,000 letters of objection.

What is the strategy for airports in Northern Ireland? Other Members have also mentioned that. Do we need to have two airports competing on exactly the same basis, or would it be wiser to have two regional airports competing for internal flights? Larger, heavier, noisier jets and long-haul and European flights should be limited to one international airport, so that it can compete head-on with Dublin Airport, where there is real competition at that level. That is something that needs to be taken into consideration. We also need to consider whether we need to impose higher environmental standards to protect the local communities that are being exposed. I support the call for a public inquiry.

Dr McDonnell: I, too, support the motion. It is not saying that we should extend the runway or that we should not extend it; it is saying that we should get all the facts before we make a decision. That is what a call for a public inquiry is — it gets all the facts on the table.

There are many claims and counterclaims. Airport management will make claims, and, like other Members who have spoken, I commend them on the efficiency and effectiveness of the operation that they run there, but that is not the issue today. The issue today is the impact that an extension of the runway would have on the lives of a number of people. There are a large number of people — not just a couple of busybodies — across south and east Belfast who feel concerned and threatened.

I welcome the many residents from south and east Belfast who are with us today in the Public Gallery, and I thank them for taking the time to be here, because it is always useful to know that the issue that we are debating here is of genuine public interest.

The proposed 1,900 foot extension to the runway at Belfast City Airport amounts to 0.4 miles, or almost a kilometre. It is quite a distance. One need only look at London: the third runway for Heathrow Airport is very controversial and the planning application very difficult.

The George Best Belfast City Airport is a great asset to Belfast; it brings significant economic and social benefits to Northern Ireland, and it is well run. However, the noise of planes taking off and landing creates a problem: it significantly disturbs the lives,

and quality of life, of thousands of people who live under the flight pathway. The negative effects are made clear to me from my contact with hundreds of constituents from day to day and week to week.

Things could be done to ameliorate the situation. I have a sense that, over the past month or six weeks, things have been done to alleviate the situation. More planes take off over the lough. Perhaps I am a bit dopey, but in my estimation fewer planes take off and land over Belfast; those taking off and landing come in and leave higher so that the threat of a plane flying low just over the rooftops seems to have been eliminated recently. I cannot help wondering why.

Another issue of growing concern, particularly among residents, is the timing of the application. The contract with Ryanair was signed despite its aircraft being too big for the present runway. This application was made, despite the fact that the contracts were signed with the two limitations. Ryanair 737 jets are much noisier, tend to fly in lower and tend not to observe the strict conditions that other airlines observe. As someone said to me the other day, they sound more like tractors than motorcars. They come in with louder, deeper noise, which is much more penetrating and disruptive than, for instance, British Midland flights.

Let me make it crystal clear: I support the call for a public inquiry into this application. A public inquiry is not a decision; however, it will give everyone affected the space to have a frank, open and honest discussion and examination of all the factors: business interests, the demand and need for the airport, and the health and environmental implications as well. It would benefit all concerned, and I urge the Minister to recognise that. The issue, like that of the third runway at Heathrow, is about striking a balance between commercial use and the needs of communities and the environment. It is not an easy task, but it is a vital one.

Although not of immediate concern, there is a need for a regional aviation strategy and to integrate whatever is decided in this regard into our overall regional development strategy.

Mr McCausland: I support the motion and the amendment. There should be a public inquiry into the proposal to extend the runway at the George Best Belfast City Airport. It is one of only two EU-designated city airports in the United Kingdom; the other is London City Airport. Belfast City Airport is right in the heart of the city. Aircraft arriving or taking off from the city airport have a significant effect on the quality of life of many thousands of people living in east Belfast. Belfast International Airport, however, is located in a sparsely occupied area and can, in contrast, operate 24 hours a day. A proposal has been made to alter the city airport and to increase the runway by 30% or 590

metres — almost 2,000 feet. A proposal of such magnitude needs very careful consideration.

When such a change is made, there can be no going back; there will not be a reduction in years to come. That is why some of the arguments that have been put forward in favour of the expansion of the runway do not stack up. In some of the material, I have seen references to the credit crunch, the economic climate and the need for jobs, and that, therefore, the runway should be expanded. However, in five or 10 years, when the economic situation is very different from that of today, the expanded runway will still be there.

Mr Weir: I agree with the Member, and I think that one of the problems is that this issue has been looked at with a very short-termist attitude. A genuine concern has been raised about the intention of a particular airline. Does the Member accept that we need to look at the matter in the long term? The runway is going to be here in 30 or 50 years, and what one particular airline does in the next year or two will pale into insignificance in the long term. There is a flipside to the coin; the long-term situation has to be looked at, rather than indulging in too much short-termism.

Mr McCausland: There are two ways of looking at many things. I intend to come to the long-term view in due course, and I think that it presents an argument in favour of, rather than against, a public inquiry.

Many of the arguments that Belfast City Airport has put forward do not concern planning issues; it lists economic benefits, job creation, tourism — all commercial issues. Those are not planning issues; rather, they are the economic arguments that are being put forward for permitting the expansion without a public inquiry.

I note the figures that Belfast City Airport has put forward for an increase in the number of people arriving and an increase in the number of jobs. However, I am not convinced that that overrides the case for a public inquiry. The implication is that, without an extension of the runway at Belfast City Airport, we will not see a growth in the number of tourists coming to Northern Ireland or in the number of jobs associated with those tourists arriving. That is certainly not the case. I am in favour of increasing the number of tourists that come to Belfast. I am passionate in my view that tourism is one of the major growth areas for the economy and for employment in the city. Tourism has increased considerably, and it will continue to be one of the growth areas; however, that is not an argument for extending the runway.

It is not as though there is no alternative. We have Belfast International Airport, and there is the potential for growth in the number of flights in and out of it. As regards access to Northern Ireland for tourists, the two airports should not be competing — and this is where I

come to the long-term view — they should complement each other.

I note that Belfast International Airport has called for a regional aviation policy, and I favour such a policy. Belfast City Airport refers to a 2003 White Paper which was produced by the Department for Transport for the whole of the United Kingdom. Although that White Paper set out the views for a 30-year period, over the last five years or so there has been a significant change in the needs of Northern Ireland and in what is considered to be appropriate provision for Northern Ireland. Given that we have a devolved Assembly, we should be looking at some way of bringing forward a regional aviation policy for Northern Ireland.

When one compares and contrasts the cases put forward by Belfast City Airport, local residents, Belfast International Airport, and the various airlines that use Belfast City Airport, it is clear that this is a complex issue. The airlines themselves are divided on the issue of extending the runway — Ryanair demands it, but BMI does not need it, and Flybe opposes it. If there is not a uniform view among the airlines, and if some of those airlines are not convinced about the extension, is the case really that strong?

Due to the complexity of the arguments — and the arguments presented to us in the various papers are complex — I think that there is a clear case for a public inquiry. I hope that there is one, and I would certainly support it. I know that the people living in east Belfast who are concerned about the runway believe that that is the best way forward. We have to give due cognisance to the concerns of those people who are directly affected. We have a responsibility to look after the interests of folk, particularly if they are affected in that way. To the many people who say that they want the runway extended, I ask: would you want to live beside it?

Mr McClarty: It has been said on a number of occasions this afternoon, that Belfast City Airport is one of four designated city airports in Europe.

City airports are, of course, unique in that they are situated in urban settings, which are surrounded by a high density of people. It follows, therefore, that city airports should have stricter guidelines with regard to the number of flights and the levels of noise and pollution. It also means that any proposals for city airports should be given as much consideration as possible. That is why my colleagues and I support the motion.

2.30 pm

Of course, there are potential economic benefits — a blind man on a galloping horse could see that. However, those must be fully weighed against the potential costs to local residents, possible increases in noise and pollution levels, and what the extension will

mean in the medium and long term. The environmental impact of the proposed extension must also be given due consideration, especially with regard to our wider environmental commitments.

Indeed, one could argue that the improvement of rail links to our airports should be given at least equal consideration as any extensions. A more strategic framework is needed in which to develop the travel and tourism infrastructure in Northern Ireland. Currently, there is a lack of vision in that area, which means that that and other tourism, economic and environmental decisions can take place in a vacuum. As we heard in this morning's debate, we need to become more strategic when it comes to our visions for the future.

A public inquiry should also consider the ramifications that the development of the runway may have on the planning agreement between the airport and the Department of the Environment. No changes to the planning agreement will occur under the present proposals, but what potential changes could the extension facilitate in the future, and what ramifications might that have on local residents and on Belfast City Airport's status as a city airport? A public inquiry is the best way to ensure that an objective decision is made in the best interests of everyone who has a stake in the decision. I support the motion.

Lord Browne: When dealing with any planning application, it is essential that all the accurate information that is available at the time is considered very carefully before an informed decision is made. I am confident that the planners and the Minister will weigh up all the facts before reaching a conclusion.

The main reason that the management at George Best Belfast City Airport has given for extending the runway is that it will facilitate flights to a wider range of European destinations and ensure fuel and passenger efficiencies for the aircraft. The chief executive of the airport has stated that the extension to the runway will not entail extra flights, because the air traffic movements through the airport are governed by a separate planning agreement.

The airport's management have also stated that due to the physical limitations of the existing runway and the proposed extension, no wide-bodied aircraft will be permitted to use the airport and that only narrow-bodied aircraft with one aisle will, as at present, be able to use the airport. It is worth noting that, although it is proposed to extend the runway by approximately 600 metres, there is a proposal to reduce the south-east end of the runway by some 150 metres to the north-east.

I understand that the airport's operating hours are also governed by the planning agreement, and that that will not change as a result of the runway extension. The George Best Belfast City Airport is the second largest employer in east Belfast, employing more than

1,400 people, and it has a significant impact on economic growth. However, although we should do everything possible to ensure economic growth, many other factors have to be considered. Those include the air quality, the odour impact, the archaeological impact, contamination, ground conditions and the drainage and water quality. The noise of the aircraft and of the additional road traffic are also factors.

It is also important to take into consideration the effect of a runway extension on communities in east and south Belfast and north Down. Their main concern is health and safety. Full consideration must be given to their fears and apprehensions: noise pollution, implications for schools in the area, and possible increased health risks. Local communities may have other fears as well.

As with the argument for the runway extension, the Assembly must ask the Minister to take note of the concerns of both the business community and local residents on any proposed runway extension at George Best Belfast City Airport.

Mr Burns: I support the motion. I must declare an interest as a member of Antrim Borough Council, which has objected formally to the planning application because Belfast International Airport is located within the council's boundaries. I support the call for a public inquiry into the extension of the runway at Belfast City Airport. It is not just another planning application; it is a complex issue that is not as simple as it might seem. All information must be examined fully in an open, article 31 public inquiry.

Who wants the extension? As far as I know, only Ryanair wants it. BMI says that it does not need it, and Flybe does not want it. Local councils, including Belfast City Council, also oppose those plans.

Mr Cree: The Member refers to 'Belfast City Airport Watch', which states that four councils oppose the extension. That is inaccurate; North Down Borough Council is not against the extension. I know that because I am the mayor.

Dr Farry: Will the Member give way?

Mr Burns: No. The councils that I mentioned are Belfast City Council and Antrim Borough Council. *[Interruption.]*

Mr Deputy Speaker: Order. Members must direct all their remarks through the Chair.

Mr Burns: George Best Belfast City Airport was never intended to be anything other than a city airport — a city hub; it should not grow into an international airport. It can never grow into a true international airport because of its location and because there is already an international airport only 20 miles away.

Dublin is a much bigger city than Belfast, yet it has only one airport and air-traffic infrastructure. Belfast airports pay twice for air-traffic control, security, and for fire-and-rescue services, which costs them a great deal of money. The fact that Dublin Airport has no near rival helps it to grow — it is one of the fastest growing in Europe — it has received high levels of investment and is a great success. However, it must also be said that it has taken business away from both Belfast City Airport and Belfast International Airport.

People usually say that competition — two rival airports fighting for customers — is a good thing. I agree that it is a good thing in theory. However, at present, and for some time to come, there will be an oversupply of flights. Flying capacity is not being used. Competition between Belfast International Airport and George Best Belfast City Airport for London air traffic is a good example of that waste. We do not make the most of what we have. At present, more capacity is not needed. In the long term, it would be better for different carriers to compete at the same airport.

Much of the growth at Belfast City Airport is not environmentally friendly either in the short or long term. A bigger runway means bigger planes and more flights. If the extension goes ahead, the quality of life of the people of east and south Belfast will be badly affected by increased noise. It is a built-up area, and, therefore, a lot of people will be affected.

Belfast International Airport has the potential for growth, and fewer people would be badly affected by expansion at that airport. There would be no noise issues, no crosswinds, no bird issues, and night flights would be allowed. Indeed, Belfast International Airport already has two runways. We could encourage investment in Belfast International Airport and leave George Best Belfast City Airport as it is. It would be much better to build a railway link to Belfast International Airport, a Templepatrick bypass, and make the road between Templepatrick and the airport a dual carriageway.

The expansion of Belfast City Airport would not be good for the economy, the environment or the people of east and south Belfast. I repeat my call for a public inquiry into the extension of the runway so that the issues that I have outlined can be assessed in detail.

Mr P Maskey: Go raibh maith agat, a LeasCheann Comhairle. I support the motion. The motion is clear in calling for an inquiry into article 31 of the Planning Order 1991 in relation to the application to extend the runway at Belfast City Airport. That will enable the economic and environmental arguments to be studied, which is the correct course of action.

I speak as someone who believes that tourism is very important to the economy in the North. It has been estimated that the extension could create 100 jobs

at the airport and attract about £120 million to the economy. Belfast alone accounts for 1,700 jobs in the tourism infrastructure.

Therefore, it is a very important issue about which we receive letters and will receive lobbying. The photographs in the 'Belfast City Airport Watch' document show just how close aeroplanes fly to the roofs of people's homes. We must all ask ourselves whether a runway extension is the right thing to do, because the airport is in a built-up area.

I have addressed the motion's reference to economic issues, but there are also environmental issues. Extension of the runway would have an immense adverse effect on the population of east Belfast and the surrounding area. Detrimental impacts such as noise pollution, aircraft emissions, traffic congestion and the disturbance of natural habitats will all be increased if the runway extension goes ahead. Noise pollution alone, for example, would undoubtedly increase, because flight paths to Belfast City Airport pass over a wide swathe of residential housing in south and east Belfast.

I must point out that we are all taking this issue very seriously. I hope that the Minister is listening somewhere else, because I note that he is not in the Chamber. I hope, therefore, that he is listening to the debate and taking the issue as seriously as the rest of us, because it is very important. However, the fact that many flights pass over —

Mr Weir: Will the Member give way?

Mr P Maskey: I will, certainly.

Mr Weir: I thank the Member for giving way. It should be placed on record — for the benefit of the Member and others — that the Minister is not here because he has to make the equivalent of a judicial decision on whether to grant a public inquiry. That is the reason for his absence from the Chamber. This is an issue in which, clearly, the Minister would be very interested, but his hands are, effectively, tied. That is why he is not even in a position to respond to the debate and why it is probably not appropriate for him to be in the Chamber. However, the Minister's absence is not due to any lack of interest on his part.

Mr P Maskey: I was simply saying that I hope that the Minister is listening to the debate very carefully, because it is of great importance to not only Belfast but to the entire economy. Therefore, I appreciate the Member's remarks and thank him for the intervention.

2.45 pm

The aircraft noise that take-offs, landings, taxiing and engine-testing cause is an important issue for communities that live near airports and under flight paths. The European Commission's findings on noise pollution at airports show that living near an airport can increase the risk of coronary heart disease and

stroke, because increased blood pressure from noise pollution can exacerbate the risk of developing those illnesses. The European Commission estimates that 20% of Europe's population — roughly 80 million people — are exposed to airport noise levels that it considers unhealthy and unacceptable. If the runway at Belfast City Airport is extended, that figure will increase.

Aircraft and airport vehicles emit a number of pollutants, particularly nitrogen dioxide and fine particles — PM10. Those have a proven detrimental effect on health and the environment. Belfast City Airport lies at the mouth of a natural valley, and in my constituency of West Belfast, a brown smog-like haze gathers on the Upper Springfield Road on mornings when there are high-pressure weather systems. As such, increased emissions would add to that local problem, and it would be greater in other areas.

Members often drive to the Assembly in the mornings and drive home again in the evenings, and we see traffic congestion on the roads. A runway extension would add to that congestion, which would affect the local community in the Belfast area, especially in east Belfast. The airport construction could also deprive local plant and animal species of their habitat. Victoria Park, which is located beside the airport, is not only for leisure use but is a site where migrating birds and other species thrive. The mudflats and artificial lagoons provide valuable feeding grounds for wading birds and wildfowl.

We must appreciate the human issues and as I pointed out earlier, acknowledge how close the airport is to people's houses, as the photographs from the watchtower at Belfast City Airport highlight. We all use airports from time to time, and we hear the noise. I would not fancy living underneath a flight path or beside an airport, so it is important that we take the issue of the proposed runway extension seriously. I support the motion. Go raibh mile maith agat.

Mr Weir: Like many of my constituents in North Down, I have mixed views on the airport. It is important to acknowledge that fact. I concur with the remarks that the Health Minister, Michael McGimpsey, made: Michael O'Leary's remarks are offensive, and I do not believe that Ryanair is doing Belfast City Airport any favours.

As the proposer of the motion said, thousands of people are forced to endure Belfast City Airport. However, the flip side of the coin has not been highlighted much during the debate. Thousands of people, particularly in north Down and east Belfast, are forced to enjoy the benefits of the airport, and it is important to place that on record. The airport provides employment for around 1,500 people, including my constituents and those from nearby constituencies. It adds economic benefit to the locality and increases

consumer choice. Moreover, it offers commuter convenience to many people in my constituency and the surrounding areas, because they have an airport close to their location.

Although there has been a tendency to sneer at budget airlines during the debate, in many cases they provide opportunities for flights at a cost that is within people's reach. Not everyone receives an MLA's salary, and people should have the opportunity to fly.

I welcome the amendment and am happy to support an amended motion on the basis that it reflects the clear majority opinion in the House that a public inquiry should be held. We face two issues — one of process and one of end result. I am somewhat dubious about the merits of a public inquiry, because its idea is to uncover additional information. The competing sides have been almost smothered in a welter of information. It seems that there is little information that is not in the public domain. I question the extent to which new information will become available.

However, if a public inquiry were to bring forward new and additional information, it would be worthwhile. If, on the other hand, the motivation is simply to provide some sort of delaying tactic, then that is not a proper use of a public inquiry.

There are some people — particularly in the Green Party — who would probably like there to be no airports at all and who tend to view an aircraft as some sort of evil silver beast in the sky. The proposer of the motion demonstrated his level of knowledge of airports when he said that one of the problems might be that businessmen queuing for one flight would get caught up in a long queue of holidaymakers going to Malaga. I know that Mr Wilson does not fly — and as far as I know he has never flown in his life — but perhaps he should know that there are different check-in desks for different destinations. That shows a general level of ignorance regarding air transport.

Dr Farry: I am grateful to the Member for giving way. I am conscious that my colleague Mr Wilson is not here, and I am not seeking to defend the general point that has been made, but does the Member recognise that Flybe, which does know something about running airlines, has made the point that it fears that the runway extension will change the character of Belfast City Airport? Flybe also fears that the extension will undermine its business model by interfering with the way it does business and interfering with the type of airport that it wishes to use for the service it provides for commuter traffic within the UK.

Mr Weir: There are differing views — and I am glad that the Member did not try to defend the ignorance of his colleague. Much of the rights and wrongs of the issue have been bandied around; the economic arguments, and the potential inflow of jobs

and money via the runway extension. Indeed, taking the contrary view; much has been said about the impact on Belfast International Airport. As for the question of whether the runway extension will lead to some level of displacement, either from Belfast International Airport or Dublin Airport, the answer is yes, it probably will — but that is what is called economic competition. We want to see a level playing field — a level landing field, perhaps — for the airport.

There will be some level of displacement if one considers the short-term impact; however, over the past 10 years the number of people using Belfast International Airport has doubled, as has the number of people using Belfast City Airport. That suggests, at least in the long term, that competition is actually good for both airports.

Whether one is for or against the runway extension from the economic point of view — and I agree that we should be considering a Northern Ireland strategy for air transport separately — for people to hang their hats on the economic impact may be a red herring. As far as I am aware, a public inquiry would largely, if not exclusively, concentrate on planning issues, which was pointed out by Nelson McCausland, who pooh-poohed the potential economic advantages but felt that the potential economic problems that might arise should become material considerations. There must be a level playing field, and the case must be made on that basis.

A decision should be made on the issue, whether through a planning inquiry or ministerial decision. Such a decision must be made on the basis of promoting economic competition rather than economic protectionism, and it should not be based on the Luddite view of restraining one airport. From the environmental point of view, a public inquiry would not investigate the number of flights involved, the time, or the route. I urge Members to support the amendment.

Ms Purvis: I support the motion. Although it is more watered down than the one that was tabled a few weeks ago, today's motion also calls for a public inquiry, which is the critical next step that must be taken to properly address Belfast City Airport's planning application to extend its runway.

A number of Members have outlined the legal, environmental and economic aspects of the debate. The DUP is not usually known for sitting on the fence, but today its Members seemed to be setting out the case in defence of the airport and then setting out the case of the residents. I will focus on the human costs of the runway extension. In the past few years, as the noise generated by Belfast City Airport has increased, so have the complaints received from local residents by the Progressive Union Party's office. Many residents of east and south Belfast and north Down are impacted by the noise.

The residents of Connswater Grove and Connswater Mews are particularly affected, because those streets are located at the lowest point of the flight path.

Residents of social housing in those areas have only single glazing in their homes. That was not due for review until 2013; fortunately, the Minister for Social Development and Connswater Homes brought that review forward by two years. Nevertheless, those residents are tortured by aircraft noise now. The City Airport's own monitoring systems documented a dramatic rise in the number of residents that were affected by increased noise at the airport. A report that was released last autumn revealed that the number of people who lived within a noise contour of 63 Leq had risen by 29%. Overall, there was a 122% increase in the number of people that were affected by aircraft noise. The DOE prohibits airports from exceeding that threshold, even though UK legislation recognises that the onset of significant nuisance from noise is set at 57 Leq.

To put that in context, it is worth remembering that Belfast Harbour Airport, as it was, only got permission to expand its accommodation for commercial aircraft in 1983. In the subsequent 26 years, the neighbourhoods that have long surrounded those old airfields have adapted to various changes. However, as George Best Belfast City Airport's own noise reports demonstrate, the arrival of larger and heavier aircraft in recent years has had a profound effect on residents' quality of life. Large Airbus and Boeing aircraft now make up more than 25% of the flights in and out of the City Airport.

I ask Members to think about the disturbances from those massive machines — not fears, as Lord Browne suggested, but very real disturbances: conversations halted, school lessons paused, backyard barbecues interrupted and children woken from their sleep. As other Members said, people's health is affected. That is just from noise pollution; the effect on air quality requires further investigation.

The City Airport claims to adhere to European restrictions on urban airports by preventing flights after 9.30 pm. Last year, however, more than 500 flights broke that deadline with no consequence. The airport recently announced that it would fine airlines for breaking the curfew — starting at a massive £50. Ronald Reagan Washington National Airport in Washington DC imposes a fine of \$5,000, and Mineta San José Airport in California imposes a fine of \$2,500.

George Best Belfast City Airport and its officials have not lived up to their responsibilities as an enterprise that is doing business in a local community. Its neighbours are not happy, because people are suffering under the noise. I understand that there is not much public sympathy for those who live under the flight path. However, those who are unsympathetic do not live there nor do they have to suffer the noise that

residents suffer. The residents have asked for remedies, but have been met with very little empathy or understanding by airport officials. Their attitude towards local residents and others who have expressed concerns about noise levels is insensitive at best. George Best Belfast City Airport should deal with the current noise issue before adding any more.

Airports and air travel play an important role in our economy and in our lives. However, the issue is one of balancing the commercial needs of travellers with the quality of life of local residents, with the full awareness that local residents have to live with the consequences of the decisions every day.

Mr T Clarke: I support the motion and the amendment. The decision to expand the runway at George Best Belfast City Airport is a significant one, and I support all the calls for a inquiry. Such an inquiry would allow us fully to investigate the economic case that has been made by the airport and Ryanair and to determine whether it is necessary for Belfast and Northern Ireland to have the extended runway.

I welcome a public inquiry because the economic argument does not stack up, and an extension to the runway at the City Airport would not necessarily increase our economic well-being. In fact, it would be detrimental. We must have a single international airport with a high footfall that is necessary to achieve the critical mass of travellers that will attract more airlines and routes to the Province.

3.00 pm

George Best Belfast City Airport, through its proposed expansion, is trying to compete with Aldergrove for the title of international airport. Having two international airports that divide footfall will mean that both airports and Northern Ireland, as a whole, will lose out.

Recently, the House of Commons voted on the proposed expansion of Heathrow Airport. The House supported the motion as it recognised the importance of having a main hub airport. Alternatives proposed to alleviate pressure on Heathrow Airport, such as expanding Gatwick Airport, Stansted Airport or other airports, were rejected because they undermined the importance of Heathrow as a hub airport. We must follow the lead of the House Commons and not make the mistake of allowing Belfast City Airport to expand at the expense of Belfast International Airport.

Unfortunately, the Minister for Regional Development has done little to improve transport links to Belfast International Airport. Indeed, there needs to be a rail link to that airport so that we can improve its attractiveness and so that it can attract more routes, which, subsequently, will bring more business and investment to Northern Ireland.

Belfast City Airport has an important purpose in Northern Ireland's aviation, because it serves business travellers and offers short-haul flights. However, it is not an international airport and we should not try to make it one. It is important that we in Northern Ireland are properly connected to the rest of the world, and it is important for the economy that we have good transport and aviation links. A situation in which two airports are competing for the status of Northern Ireland's top airport, however, does us no good.

Both Belfast airports serve distinctive purposes — Belfast International Airport is an international airport and George Best Belfast City Airport is a city airport. We should not seek to change that, but we should seek to enhance those identities. I support the call for a public inquiry.

Mr G Robinson: I support the motion and the amendment. It is interesting to note that the airlines that currently use the George Best Belfast City Airport are divided over whether the runway extension is a necessity. If airlines are not in agreement about the requirements of the travelling public, caution should be exercised in decisions of this nature. A public inquiry is the sensible way in which to ensure that all aspects of the application are scrutinised and that the final decision is based on hard evidence.

This case has many aspects. The most obvious one being the increased disturbance that residents who live under the flight path have experienced since the introduction of larger jet aircraft on routes to and from Belfast City Airport. In my constituency, the increased usage of jet aircraft at Eglinton is noticeable.

I applaud Flybe for its great efforts to use aircraft that are fuel efficient and quieter. Figures show that Flybe is one of the few carriers that has increased its passenger numbers in what is a difficult economic climate. Passengers obviously seem to think that Flybe has got it right commercially. Therefore, has it also got it right with regard to the runway extension? The best way to test that is via a public inquiry. I hope that Members agree with that point and that they support the amendment.

I remind Members that Northern Ireland has three airports. As I mentioned earlier, there is also one at Eglinton. It has already extended its runway, and we are all aware of the controversy that surrounded that decision. I encourage airlines not to forget that third airport, and I assure them that they would receive a warm welcome if they start to operate services from there. I support the motion and the amendment.

Mr Ross: The First Minister outlined the necessity for the DUP's amendment before this debate began today. Given that the original motion would have put the Minister of the Environment in a difficult position, our amendment allows the Minister to recognise the

mood of the House on this issue, without forcing him to take one decision or another. The amendment will also unite the House.

Given the geographical location of the Province, the future of both air and sea transport is clearly an important issue and one which is of major significance to Northern Ireland. Members bore out the economic and tourism reasons for that in their contributions. I do not think that too many Members will argue against the fact that we need better routes to mainland Europe and beyond, perhaps with the exception of the Green Party, which takes a stance against aviation in most things that it says.

Members' contributions make it clear that this is a divisive issue, with strong arguments both for and against the extension of the runway. We have heard many times that George Best Belfast City Airport operates under fairly significant restraints that are recognised in the Government's White Paper 'The Future of Air Transport' — most notably, about the length of the runway. A longer runway, as Members have heard, would allow aircraft to carry more fuel and to fly further. Lord Browne articulated that view.

Tommy Burns talked about more flights. However, I do not think that that is really the case, because the number of flights is capped; therefore, extending the runway would have a minimal impact in that regard. Paul Maskey's concern about additional traffic is genuine, but we are talking about a minimal increase in the amount of traffic.

The Member of Parliament for South Belfast, Alasdair McDonnell, talked about the fact that the issue is finely balanced and that — similar to a recent debate in the House of Commons about the third runway at Heathrow — representatives from each constituency will hold different views. We have seen that during the debate. There are clearly those in the House who place weight on the need for further economic and social development, while others are concerned about the environmental aspect and the impact on the local community.

Other Members stated that Belfast International Airport, rather than the City Airport, should be the focus. Perhaps unsurprisingly, that view was held by Members for South Antrim, such as Tommy Burns, my colleague Trevor Clarke and Rev McCrea.

Brian Wilson said that he personally opposed any expansion, but that the motion's main purpose was to ensure that all sides of the argument were heard, and considered, in a public inquiry. He specifically mentioned the possible economic benefits, and the potential impact on Belfast International Airport through job displacement, as well as the environmental impact and the effect on local residents.

Mr T Clarke: The Member made a point about the difference between the two airports; does he accept

that the International Airport is much safer for planes, because it is not in such a built-up area?

Mr Ross: I believe that that comment has been made by other Members. I am not sure that the current City Airport is unsafe, and I certainly do not think that that is what the Member implied.

To go back to comments made by other Members in the debate, I, like Peter Weir, am unconvinced by Brian Wilson's argument that an extension will lead to business users and holidaymakers queuing up together. I do not believe that that will be the case at all.

Proposing the amendment, Jimmy Spratt talked of the importance of the business community to the City Airport. He also spoke of the importance of addressing all the issues, and of the Minister hearing those issues. Mr Spratt mentioned some of the potential environmental impacts.

Alex Maskey's contribution included support for a public inquiry. Our amendment does not say that there should not be one. Rather, we put the onus on the Minister to ultimately make that decision. Alex Maskey talked about the city status of the airport, as did Roy Beggs, who also talked about the tourist potential and the possible benefits of extending the runway.

Michael McGimpsey intervened in the debate to say that the remarks by the chief executive of Ryanair were very unhelpful. I agree with that. It was very unhelpful and regrettable that he treated people with such disdain.

On balance, I believe that the mood of the House will be considered by the Minister, and I think that the majority of people do, perhaps, want a public inquiry. Our amendment allows the Minister to recognise those views, and to make that decision. I hope that the Alliance Party and the Green Party will accept the amendment, and that the rest of the House will unite around that.

Dr Farry: I want to be clear at the outset that our motion is about the process involved in taking a decision. A public inquiry must be held to take that process forward, and to properly test all of the economic and environmental arguments. As Alasdair McDonnell said, it is about ensuring that all the facts are on the table.

I am open-minded about the outcome of an inquiry. I am not going into the process with any closed mind, because that would almost contradict the call for a public inquiry. At this stage, the process is the important aspect.

I am no expert on all the environmental issues, although I have strong opinions on some of the economic aspects. The important thing is that we test those issues in a rigorous, open and transparent framework. The outcome of that process is something in which the whole community in Northern Ireland should have confidence.

The call for a public inquiry is not meant to cause an arbitrary delay to the runway extension. Instead, it is about ensuring that there is an open and transparent process — I want to give that reassurance, particularly to the airport, lest there are any accusations of ulterior motives behind the motion. I believe that we are reflecting the views of a large number of our constituents, particularly those in the greater Belfast area.

When we tabled the motion, we understood that the Minister would not be present at the debate. We proceeded in that knowledge, because we felt that it was important that the issues are addressed. We are drawing no negative conclusions from the absence of the Minister, and, if anything, we understand his position and that he cannot make direct comment on the issue to the Assembly today in advance of him making a decision.

Like any private Members' motion, our motion is non-binding. Therefore, in the sense that we are calling on the Minister, that call is the view of the Assembly. It is not necessarily a direct instruction to the Minister, because, perhaps sadly, Back-Bench motions do not carry huge weight with Ministers — they can regard or disregard them at their will. Nonetheless, we will proceed regardless to give our views.

I am agnostic about the amendment, and I appreciate that there are a range of views in the DUP on what should happen with regard to a public inquiry. We are prepared to accept the amendment in the interests of pragmatism and trying to find a common front in the Chamber and in sending a common message to the Minister and the wider community. The amendment does not say that the Minister should take note of the various views expressed by individual Members. Instead, it calls for the Minister to take note of the view — a single view — of the Assembly, that there should be an inquiry — and “should” is the operative word. There is a clear sense of direction in the amendment on what should happen in the interests of transparency. As Danny Kennedy said, perhaps my agnosticism has been resolved, and I am now a true believer. *[Laughter.]*

Mr A Maginness: A quick conversion. *[Laughter.]*

Dr Farry: At times, we do move fast in the Alliance Party. If the amendment allows the DUP to come on board, that is of some value.

The development of airports is not a simple and straightforward matter — it is not simply about putting down a few hundred more metres of concrete on a piece of ground, and it is not a supermarket opening. This is something of major strategic importance to our society and, in particular, to the economy. Elsewhere, there has been controversy about the third runway at Heathrow and the potential expansion of Stansted Airport. Although we cannot, perhaps, draw direct

comparisons with those examples, because we are doing something different, they show that such issues are not to be taken lightly and proper consideration of everything is needed. As MLAs, we have a duty to take into account the views of the public in Northern Ireland.

Ms Lo: Does the Member agree that the extension of the runway is such a permanent feature and that is why residents are so fearful? Current limitations on flight numbers, and the size and noise of aircrafts can be changed once the extension is made permanent.

Dr Farry: I agree entirely with my colleague's remarks, which was a point that was, I believe, made by Nelson McCausland earlier as well.

I take note of Michael McGimpsey's comments on very scurrilous remarks made by Michael O'Leary about our constituents — it is important that we respect the views of people, because, after all, they put us here.

There is support for a public inquiry from councils across Northern Ireland, and I want to correct the record about North Down Borough Council, about which I, too, know something. The council agreed in July 2008 to support a public inquiry, but we may have slipped that under our mayor's radar at the time. Hopefully, the Assembly will follow suit.

Roy Beggs emphasised the importance of the matter with regard to the wider public interest. The public interest refers to ensuring that our actions are not sectional, economic or otherwise, but are for the good of society overall.

3.15 pm

As an individual, I certainly support and use the airport. I also recognise the particular role and function that it plays in Northern Ireland. A large number of people are quite satisfied with the airport's role and function. Equally, the point could be made that there is scope for the airport to expand and to grow its business without extending its runway. It is important to put that in context.

There must be a trade-off between competing economic and environmental aspects. Jimmy Spratt very clearly highlighted that issue at the start of the debate. The essential question with which we must wrestle is whether we wish to compromise on noise and the environmental impact of the extension in order for the economy to benefit.

A number of speakers — notably Alex Maskey, Paul Maskey, Wallace Browne and Dawn Purvis — drew attention to the very direct impacts that planes have on neighbourhoods. Given that I lived in the Kinnegar area of Holywood for a year, I have had personal experience of that issue. Some people are sceptical of the airport's community fund. It is almost like a fine box — airlines can go ahead and bring flights in late

and will only have to pay a few pounds into a box as a consequence. It is not a real disincentive.

In a very simplistic sense, one could argue that we should go ahead and expand the airport as it brings in more business and tourists and that we should let things grow in an unregulated manner. However, we need to be a little bit more sophisticated than that. People have pointed to the need for an aviation strategy for Northern Ireland. It is a real shame that we do not have one in place. Brian Wilson, Nelson McCausland and Alasdair McDonnell — and George Robinson, at the end of the debate — referred to taking a third airport into account.

We must also consider the issue of competition and what we mean by that. Are we talking about two international airports for a city the size of Belfast? Is that what we mean by competition, or is it better to talk about having two specialist airports, one to deal with international traffic and the other to deal with UK traffic? The airport that deals with the UK traffic could have more direct and efficient access to the city centre. If one takes Dublin Airport into account, perhaps true competition is achieved on an all-island basis. It is interesting to note that the Irish Government have heavily invested in Dublin Airport. Rather than spreading things out among a number of different airports across the country, they have bulked up Dublin Airport, so they have taken a very clear and strategic direction.

Some Members made the point that the existing runway capacity is more than sufficient for Northern Ireland to deal with any estimate of the growth of the number of flights. Perhaps the balance of that is that we should invest in more efficient transport links to Belfast International Airport. That airport is an existing resource, and it could be expanded without compromising on environmental and noise considerations and the impact on local residents.

In addition, we must also note the views of the airlines. A lot of points were made about the proposals being driven forward by Ryanair, and, perhaps, by Belfast City Airport shareholders for their own narrow financial interests. However, we must note that BMI is, at best, neutral on the proposals; whereas Flybe — which is the main user of the airport and built up the airport over the past number of years — is opposed to the plans and is lobbying against the runway extension. Flybe would make the point that it wants the airport's character to stay as it is because that is the most appropriate character and it fits the Flybe business model. David McClarty made the point that the George Best Belfast City Airport is one of the few airports to have the EU designation of being a city airport. Clearly, that is a very strong hint about how the matter is being played.

We have had a reasonably good debate today. A lot of constructive points were made by Members. We have aired a number of the issues, and most people

have approached the topic in a very mature manner. We have open minds, but the most important issue is to put in place a proper process to ensure that decisions are taken in an open and transparent manner and that we have a robust debate with all the facts being placed on the table.

I support the motion and the amendment.

Question put.

The Assembly divided: Ayes 55; Noes 26.

AYES

Ms Anderson, Mr Boylan, Mr Brady, Mr Bresland, Mr Brolly, Lord Browne, Mr Buchanan, Mr Butler, Mr T Clarke, Mr W Clarke, Mr Craig, Mr Dodds, Mr Doherty, Mr Donaldson, Dr Farry, Mr Ford, Mrs Foster, Ms Gildernew, Mr Hamilton, Mr Irwin, Mr G Kelly, Ms Lo, Mr A Maskey, Mr P Maskey, Mr McCarthy, Mr McCartney, Mr McCausland, Mr I McCrea, Dr W McCrea, Mr McElduff, Mrs McGill, Mr M McGuinness, Miss McIlveen, Mr McLaughlin, Mr Molloy, Lord Morrow, Mr Moutray, Mr Murphy, Ms Ní Chuilín, Mrs O'Neill, Mr Paisley Jnr, Rev Dr Ian Paisley, Mr Poots, Mr G Robinson, Mrs I Robinson, Mr P Robinson, Mr Ross, Ms Ruane, Mr Shannon, Mr Simpson, Mr Spratt, Mr Storey, Mr Weir, Mr Wells, Mr B Wilson.

Tellers for the Ayes: Mr Ross and Mr Spratt.

NOES

Mr Armstrong, Mr Attwood, Mr Beggs, Mr D Bradley, Mrs M Bradley, Mr P J Bradley, Mr Burns, Mr Cobain, Mr Cree, Mr Elliott, Sir Reg Empey, Mr Gallagher, Mr Gardiner, Mrs Hanna, Mrs D Kelly, Mr Kennedy, Mr A Maginness, Mr McCallister, Mr B McCrea, Dr McDonnell, Mr McFarland, Mr McGimpsey, Mr McNarry, Mr O'Loan, Ms Purvis, Mr Savage.

Tellers for the Noes: Mr Burns and Mr Kennedy.

Question accordingly agreed to.

Main Question, as amended, put and agreed to.

Resolved:

That this Assembly calls on the Minister of the Environment to take note of the view of this Assembly that there should be a public inquiry under Article 31 of the Planning (NI) Order 1991 in relation to the application to extend the runway at George Best Belfast City Airport, in order to properly test all of the relevant economic and environmental arguments.

MATTERS OF THE DAY

Wrightbus

Mr Deputy Speaker: Mr Ian Paisley Jnr has sought leave to make a statement on a matter that fulfils the criteria set out in Standing Order 24. Mr Ian Paisley Jnr will speak for up to three minutes on the subject. I shall then call other Members from the North Antrim constituency, who will also have up to three minutes in which to speak on the matter. There will be no opportunities for interventions, questions or a vote on the matter. I will not take any points of order until the item of business is concluded. If that is clear, we shall proceed.

Mr Paisley Jnr: Wrightbus, the international bus manufacturer, is one of Northern Ireland's most well established family-run businesses. Indeed, it is a third generation business. Unfortunately, today it announced 235 redundancies.

The Wrightbus brand is known across the world: it is known for its London double-deckers on the mainland; for its Ulsterbus vehicles here; and, in Hong Kong, for the Goldliner. It is a major employer and manufacturer, which provides skilled employment for many in Northern Ireland.

The jobs losses that were announced today will mean a loss of some £6 million in our local wage bill. That will have a significant — in fact, crippling — impact on such towns as Ballymena and on many other towns and businesses in County Antrim. Many engineering businesses in County Antrim supplied Wrightbus. Tonight, those companies will be in turmoil, because of what those job losses will mean for them.

The recession will be no respecter of jobs, standing or ability; its ravages will strike anywhere. This House must send out a message of solidarity to the many people in Northern Ireland who will not have a job after today. Those people will feel lost and all at sea; they will not know what the future holds for them.

If devolution is to mean anything, the Assembly will have to take a practical stand on these issues. In a statement released this afternoon Wrightbus representatives said that they would like the Executive and the Assembly do all that they can to help. That means that they want assistance with knocking on doors for other international contracts and with the reskilling and retraining of those who will become unemployed as a result of today's announcement.

Wrightbus runs a remarkable apprenticeship scheme, which should be supported at this critical time. I have spoken to Arlene Foster and Sir Reg Empey, who said that they will do all that they can to help those affected.

They will stand shoulder to shoulder with those people who were part of a productive and lucrative workforce, but who are now staring into recession.

I hope that the Assembly will stand with us, support us and help County Antrim as it goes through this terrible problem.

Mr O'Loan: I give my assent to every word that Mr Paisley Jnr said about today's most unfortunate announcement regarding a consultation period of 90 days in relation to the likely loss of 235 jobs in Wrightbus. The company employs more than 1,000 people, so it is a drastic announcement.

The effects are felt throughout the company because a selection process has to happen, and many workers will be asking themselves whether they will lose their job. The effects of the selection process on the income of those workers will be great. Gone are the days when they could easily have got a job elsewhere because everyone knows that job opportunities are now few and far between.

The job losses will have a considerable effect on local suppliers. Wrightbus spread its search for supplies in the local area, which provided a tremendous economic boost for that area.

The news from such a successful and innovative company will come as a shock to the manufacturing sector. Companies have to respond when their order books are reduced, and that is what is happening in the current international economic environment.

Unfortunately, we will hear more such announcements. It creates an imperative for the Assembly, and I strongly support Mr Paisley Jnr's comments in that regard. The company is seeking support from the Assembly for investment in research and development and for apprenticeship training.

We should listen to the message from Wrightbus, which is speaking for the whole manufacturing sector. My party will be saying a lot more in forthcoming days about measures that the Assembly can adopt and the funding package that will accompany those.

Mr Storey: Today's announcement, which is the reason why we have had to come to the Chamber today, is another reality check for us all about the economic uncertainty and challenges that face us. It is clear from the announcement by Wrightbus that there are no bounds to the economic challenges that we face or the ways in which the economic downturn can affect us all. Wrightbus has been the linchpin of the economic prosperity of Ballymena and North Antrim for a considerable number of years.

My colleague Ian Paisley Jnr rightly referred not only to the excellent workforce that we have in Ballymena and the issue around the apprenticeship schemes, the leadership skills and the skills base that

that company has developed over many years, but to those other subcontractors — the smaller, yet vitally important, engineering companies that have been built up and have taken on additional workforce. Our thoughts are with such companies; I can think of a couple in Ballymoney, in my constituency, that have invested very heavily on the basis of the contracts that Wrightbus has been able to secure. As we have said, tonight there will be a question mark over those companies, and they will be asking what is going to happen.

Wrightbus has today announced 235 possible redundancies; however, I do not want to become the prophet of doom — we have to try to be as positive as we can be, despite the awful circumstances that we find ourselves in. The Executive and Assembly need to collectively reassure those companies and the affected families that the help and assistance that will be required will be there.

When we think of innovation, we think of Wrightbus. When I travel to London with my family, they become somewhat annoyed that every time I see a Wrightbus, I refer to the fact that it was made in Ballymena. Wrightbus was, and is, a brand that we are proud of. There is an issue now for the Assembly to prove not only to the people in Wrightbus and everyone affected by that announcement, but to Northern Ireland plc, that the devolved Administration can, when faced with a challenge, rise to it, difficult and demanding though it may be. We should not run away from that challenge and, with the collective goodwill of the House and the Executive, I hope that we can be of help and assistance. Our thoughts and prayers are with not only all those affected by the announcement of the 90-day consultation period, but the entire workforce of Wrightbus.

Rev Dr Ian Paisley: This is a sad day. I have just come from Ballymena, and, although this is a sad day, it is a day on which we must face up to this as a challenge. It is all right for us to say what we are saying, because it has to be said, but we must now face up to the challenge.

Some years ago, Mr Wright and his friends faced up to a challenge in Ballymena, and they did a very good job of work. Everywhere that I have been in the world, I have talked about the Wright brothers and the way that their company developed. However, today we are facing the problem of people having lost their jobs and the signal that more people will lose their jobs. What are we going to do about that?

3.45 pm

I trust that the Ministers concerned, along with all the parties in the House, will get together and devise ways whereby we can do what the firm is asking us to do, especially in areas where there is a possibility of securing employment, such as apprenticeships. What will we do? We must come up with a practical solution

— something that is workable and which we will have to put our minds and hearts into. I believe that that can be done.

Ballymena is not the only area that will be affected: a lot of people outside the town and further up towards the County Antrim coast are affected. It affects us all. I trust that the House and the Executive will be able to find a way to face that challenge, and other challenges that will come. Some other Member, not far hence, may soon be standing up for his or her constituency. We are all in this business, and we must all face the challenge. However, we do not want words; we want actions. We need a plan, we need to know how we are going to work out that plan, and we need to carry it forth. We will have many discouragements, and many people will ask, “What is the use of doing that?” Every possible way must be found to try to counteract the bitter and terrible situation that has arisen in Ballymena and that will arise across the Province.

I believe that, if we can get the determination and the strength of the brains that we have in the Province behind the same cause, we can pull ourselves out of a very challenging and sad situation.

Mr Ford: On a point of order, Mr Deputy Speaker. I speak as a representative of a constituency that is adjacent to North Antrim, and who has constituents who are employed by Wrightbus. On that basis, I would have wished to have been able to contribute to the discussion by more than my presence. Will you, Mr Deputy Speaker, raise with the Speaker the question of how issues such as the dreadful news from Wrightbus, which cross constituency boundaries, can be addressed properly under the procedure for matters of the day?

Mr Deputy Speaker: The Member knows that he is more than welcome to raise that matter, and any other matter, with the Speaker.

The final item on the Order Paper is the Adjournment. Mr Mark Durkan has indicated that he no longer wishes to raise the matter of the North West Gateway Initiative in Foyle, and he is not in his place.

Adjourned at 3.48 pm.

