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cc *PS/ Michael Ancram (B&L)
*PS/ Mr Moss (DoE)
*PS/ Sir David Fell
*Secretary
*DED Board Members
Mr Maccabe
Mr Gamble
Mr Mercer (file)
MC
(* Minute only)

13 September 1996

To: 1. PS/Baroness Denton (DED)
2. PS/Secretary of State (B&L)

From: A K Templeton
Strategic Planning Unit, DED

**WARNING BY MAJOR ORGANISATIONS ON CURRENT
COMMUNITY ISSUES IN NORTHERN IRELAND**

1. The Secretary of State has agreed to meet representatives of the business community and trade unions in Northern Ireland to discuss the impact of the summer's disturbances on the economy. The meeting is to take place in the Secretary of State's conference room, Stormont Castle, at 9.45 am on Monday, 16 September. It is scheduled to last up to 75 minutes. There will be a pre-brief at 9.30 am.
2. The meeting has been arranged in response to a request from Sir George Quigley on behalf of the group. The full delegation is listed at Annex A. Mr Gamble and Mr Maccabe will attend the Secretary of State.
3. Annex B provides background to the group's origins and recent developments. Annex C offers a line to take should the group repeat Mr Tosh's (CBI) suggestion that the Pittsburgh conference be postponed.
4. **Line to Take**

Principally, the meeting provides the Secretary of State with an opportunity:

- To hear at first hand the constructive views of NI business.

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- To commend the initiative of the group in making its appeal for restraint after Drumcree and for everyone to recognise their common economic interest in pulling together. (The full text of their statement is attached as Annex D.)
- To put forward Government's views and role.
- To encourage the group to continue **constructively** putting across its message to all, including local politicians, about the economic consequences of further strife.

Annex E provides further speaking notes on these lines and suggests points which the Secretary of State might wish to make to the visitors.

A handwritten signature in black ink, appearing to read 'A K Templeton'.

A K TEMPLETON



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FULL LIST OF DELEGATION

NI Economic Council: Sir George Quigley (Chairman);
Dr Paul Gorecki (Director)

Confederation of British Industry: Bill Tosh (Chairman) or substitute;
Bryan Johnston

NI Chamber of Commerce & Industry: Colin Anderson (President);
John Stringer (Director)

Institute of Directors: Richard Sterling (MD of Coolkeeragh
Power Station);
Stan McIlvenny (Chief Executive,
Londonderry Port)

NI Hospitality Association: Felix Mooney (Wellington Park
Hotel);
Neville Morrison (Director)

NI Committee of Irish Congress of
Trade Unions: probably Frank Bunting (Chairman);
Tom Gillen (Deputy NI Officer)

NI Growth Challenge: Brian Carlin (Shorts)

BACKGROUND / RECENT DEVELOPMENTS

1. The group of seven leading business representative bodies in NI has its origins in a meeting convened by Baroness Denton on 24 July to review the after-effects of the Drumcree disturbances and to assess what needed to be done to restore confidence in business circles. Baroness Denton reported the outcome of the meeting to the Secretary of State that day (a copy of the report is attached).
2. Participants at the meeting agreed that the impact of the Drumcree events was severe and that the Government should:
 - make sure the world understood that it was business as usual in NI;
 - restore confidence in the rule of law;
 - underline the importance of the economy and the role of business.
3. At the conclusion of the meeting, the group decided to seek an immediate meeting with Senator Mitchell to stress the need for real efforts to resolve difficulties like the Apprentice Boys' march and, if appropriate, with the political leaders. The group were unable to meet the senator, who had apparently returned to the US earlier than expected. They have continued to press for a meeting, so far without success.
4. On 15 August the group issued a statement (Annex D) urging community restraint ahead of further demonstrations. On the group's behalf Sir George Quigley copied the statement to the Secretary of State and to the Prime Minister, and asked for a meeting with the Secretary of State; Michael Ancram replied in the Secretary of State's absence, and the meeting is now set for 16 September. The Prime Minister has also responded to Sir George expressing support for the group's stand.

5. For several months Bill Tosh, Chairman of CBI(NI), who hopes to attend the meeting, has been calling on local politicians to consider the economic consequences of continuing disagreement and internal dispute. In his most recent appeal at the CBI annual lunch on 10 September he criticised local politicians for failing to develop closer links with the business community, despite their overtures. He also called on the political parties to invite the CBI to participate in the Forum. (A copy of the CBI press release is attached.) His speech prompted a largely hostile public reaction from the politicians.

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24/7/96

cc Mr Ancram (DENI,B&L)
PS/PUS
PS/Sir David Fell
MC

To: Secretary of State (B&L)

From: Baroness Denton

(Wed)

I convened a meeting today with representatives of the business community and trade unions to discuss the impact of recent events on the economy. The purpose of this note is to report the views expressed; the actions recommended are to be taken by the business representatives.

The first point to make is that this was very useful feedback, not least because the participants in the discussion were able to present a very comprehensive report of business views. For example, CBI had surveyed members and secured a 70% response. The Northern Ireland Chamber of Commerce had talked to all 31 regional chambers.

The discussants confirmed that the impact of the crisis had been severe. Intimidation for the first time in many years, has become a significant problem - particularly in the Craigavon area. There has been massive damage to community relations throughout Northern Ireland. Our image which, had improved significantly in the last two years, had suffered. The business people recognised that public expenditure will inevitably be distorted as a result of the events.

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of the last few weeks. There has been a significant loss of confidence among existing businesses and this is bound to be reflected in the attitudes of those who have not yet invested here.

There is also a significant loss of confidence among the business community in the government, and in political leadership in Northern Ireland. Failure to keep roads opened during the crisis was repeatedly mentioned as the feature of the disturbances which helped create the loss of confidence.

There was remarkable unanimity of opinion at the meeting. The mood was sombre and pessimistic, however, as I would expect from the resilient Northern Ireland business community, there was a very positive attitude about what now needs to be done to help restore confidence. In essence, it was argued that we in Government should:

- make sure that the world understands that it is business as usual in Northern Ireland - new investment decisions would be a good illustration of this;
- restore confidence in the rule of law;
- the importance of the economy, and the role of business must be underlined.

The business leaders recognised that the next few weeks are crucial if there is to be rebuilding of confidence. At all costs, Northern Ireland must not suffer further damaging incidents. They recognised that the two crucial tests, which Northern Ireland must pass, are success in keeping the talks process moving forward and sensible

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handling of August 10. These tests will be difficult to pass but the business people are willing to play their role in helping to secure the right outcome. They therefore decided to seek an immediate meeting with Senator Mitchell, and if he considers it appropriate, with the political leaders. The purpose of the meeting would be to stress the need for proper talks and real efforts to resolve difficulties like the Apprentice Boys march and to emphasise the cost to the economy of failing.

— I attach a list of those attending the meeting.

*Siothán MacKewey,
Private Secretary*

for **BARONESS DENTON**
(Approved by the Minister and
signed in her absence)

24.7.96

Bill Tosh	Chairman	CBI NI Region
Bryan Johnston		CBI NI Region
Felix Mooney		Hospitality Association for NI
Stan McIlvenny		Institute of Directors
Richard Sterling		Institute of Directors
Colin Anderson	President	Northern Ireland Chamber of Commerce and Industry
John A Stringer	Chief Executive	Northern Ireland Chamber of Commerce and Industry
Frank Bunting	Chairperson	Northern Ireland Committee Irish Congress of Trade Unions
Tom Gillen	Deputy NI Officer	Irish Congress of Trade Unions
Sir George Quigley	Chairman	Northern Ireland Economic Council
Paul K Gorecki	Director	Northern Ireland Economic Council
Brian Carlin		Northern Ireland Growth Challenge
Nigel Smyth	Director	Northern Ireland Growth Challenge

Confederation of British Industry
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108 Great Victoria Street
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Northern Ireland



AS



NI 11 96

STRICT EMBARGO

Tuesday 10 September 1996
1300 Hours

**CBI CHAIRMAN CALLS ON LOCAL POLITICIANS TO
DEVELOP CLOSER LINKS WITH THE BUSINESS COMMUNITY**

The Chairman of CBI Northern Ireland, Bill Tosh, today (Tuesday) called on local politicians to improve their links with the business community.

Mr Tosh was speaking at the CBI's Annual Lunch in Belfast to an audience of over 200 business executives and senior Government officials. Principal guests included the CBI President, Sir Colin Marshall and local political representatives.

Reviewing his first year as CBI Chairman, Mr Tosh said:

"The one area where I feel that we have not made the progress we would have liked to see is in the development of linkages with local political parties...I can say with the utmost sincerity that with very few exceptions, CBI Northern Ireland has taken the initiative with respect to trying to set up meetings and other contacts with our political representatives...To date, our attempts to engage with the politicians have borne little fruit."

He continued: *"I must ask why. What message are the politicians trying to give us by their lack of response to our overtures? I must, unfortunately, conclude that in most cases, economic and business issues are very far down the political agenda. I am afraid this was illustrated most clearly in July and August, the negative consequences of which (in terms of lost orders etc) Northern Ireland business will have to live with for some time to come"*.

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Mr Tosh said that it was even more crucial, with the talks and the Forum once more in session, that CBI Northern Ireland continued to try to get across the message that economic issues do matter, that the public expenditure which is sometimes taken for granted depends upon the wealth creators being able to do their job, ie create wealth, with as few impediments as possible. And of course, he added, the wealth and sustainable growth created leading to more jobs would benefit everyone in the community.

Mr Tosh continued *"Therefore, it is essential that we continue to keep banging home the message to both government and politicians that for the economy to grow to its potential, we need political stability. The pictures that were flashed around the world of Drumcree and other trouble spots, besides doing our tourist industry no good at all, also made attracting inward investment an even more difficult task..."*

"...we intend to keep making the voice of business heard at every opportunity, particularly by the politicians, (though that seems as uphill struggle) but also by government."

"Let me use this opportunity to put the politicians on notice that we are determined that economic issues are brought to the forefront of your deliberations during the next few months. We ask that you recognise our experience and interest in resolving Northern Ireland's economic regeneration. It is most definitely in our interest that you succeed in your endeavours at the talks table and we wish you every success in your efforts to deliver stability."

Bill Tosh concluded by referring to a number of other key issues for CBI Northern Ireland:

- the joint initiative, especially the Business Development Programme with the Irish Business Employers' Confederation (IBEC) which continues to go from strength

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to strength, so much so that north-south trade has increased by 45% between 1991/92 and 1994/95

- joint lobbying on transport links both within and from the island of Ireland, particularly to the GB west coast ports
- energy, particularly electricity prices, and action from the Regulator which will help overcome the increasing price differential for industrial users between Northern Ireland and the rest of the United Kingdom
- educational issues, including the current review of higher education by Sir Ron Dearing, to which CBI will be responding
- the Northern Ireland Growth Challenge the foundations of which have been successfully laid and all the hard work which has been put in by the companies involved over the last year or so set to continue and develop.

Note to Editors

The CBI Northern Ireland Annual Lunch is being held at the Culloden Hotel on Tuesday 10 September 1996. Speeches are likely to begin c1.00pm - media are welcome to attend.

A full copy of Bill Tosh's speech is available. Further information available from the CBI Northern Ireland office ☎ 01232-326658.

Annex C

US CONFERENCE FOR TRADE AND INVESTMENT IN NI AND THE ROI'S
BORDER COUNTIES : PITTSBURGH : 6 - 8 OCTOBER 1996

Issue

We understand that Bill Tosh, CBI(NI) Chairman, has written to Senator Mitchell suggesting that the time is not right for the Pittsburgh conference and that it should be postponed until next year.

Line to Take

Should the question of postponing the Pittsburgh conference be raised at the meeting, the Secretary of State might say:

- Interest by 55 local companies in attending Pittsburgh, if relevant business contacts can be identified, cannot be ignored.
- IDB has been actively helping the US Department of Commerce to ensure that its conference on 6-8 October is a success.
- Hope we have now put behind us the events of the summer; given the lead-time needed to organise a conference of this kind there can be no guarantee that a future date would be more suitable than October.
- Estimate that too much political capital has already been invested in the conference for postponement to be practical option.

Background

The core of the conference will be a matchmaker programme to develop business partnerships between US and NI (and ROI) companies. The IDB has been working with agencies in US and ROI to identify possible company participants. 55 NI companies (and 79 from ROI) expressed interest in attending and the US Department of Commerce (USDOC) is now trying to identify suitable US business contacts and arrange appointments during the conference.

To date, 21 of the 55 companies (and 14 of the ROI companies) have registered to attend.

updated
27/9/96.

At this point neither IDB nor the NI companies have been advised of any business appointments. IDB and RoI agencies have urged USDOC to speed up the matching process to ensure that companies here have adequate notice of the business opportunities at Pittsburgh. IDB has been assisting USDOC in a number of ways, eg identifying appropriate US companies and placing an officer in Washington to help arrange appointments. Despite these concerns, IDB remains committed to helping USDOC make next month's conference a success. Invitations have now gone from USDOC to all interested companies.

Additional resources have now been drafted in to assist in the matchmaking process, and assurances have been given that business contacts will be made for as many companies as possible, provided suitable US partners are found.

IDB remains committed to helping USDOC make next month's conference a success.

WARNING BY MAJOR ORGANISATIONS
ON
CURRENT COMMUNITY ISSUES

ANNEX D.

Senior personnel of major organisations representative of business, trade unions and other economic interests and listed at the end of this Press Release have held a series of meetings to review the economic situation and prospects in light of the community difficulties of recent weeks. They have today issued the attached statement.

FULL STATEMENT

It would be impossible to exaggerate the importance of a successful outcome to the efforts being made to reduce tension and avoid conflict in coming weeks. We warmly commend those efforts. A repetition of the community dissension and disorder of July would compound the severe damage already done to the Northern Ireland economy and its prospects.

At a time when uncertainty surrounds our No 1 industry and the many businesses which depend on it as a result of the UK's BSE difficulties, the last thing we need is a self-inflicted wound.

The world thought that we had turned a corner. It has been shocked - indeed we have surprised ourselves - by the public display of animosity and bitterness.

Any society which ignores economic realities and plays fast and loose with its economy inevitably faces a day of reckoning. Although sadly prevented from achieving anything approaching its full potential, the Northern Ireland economy came through the Troubles surprisingly well. It did so thanks to Government support, an excellent workforce and the resilience of business.

All over the world, people are reaching out to grasp eagerly every opportunity for growth. For Northern Ireland the moment of truth has arrived, when it must decide whether it wants to be regarded as a credible, serious, first division economic player or is prepared to accept relegation.

Business at all levels has a responsibility - which it readily accepts - to put every ounce of energy into the race for growth in a very competitive world. But it is severely handicapped if it has to operate in an environment which destroys confidence. It is essential that those both inside and outside Northern Ireland who have to make investment decisions based on an assessment of risk should possess that confidence. Community stability is a crucial factor in the assessment. A society which does not eschew violence and turmoil - whatever the perceived justification - is on the road to nowhere.

Surely the entire population of Northern Ireland can accept that, whatever else divides it, it has a common interest in rapid economic growth and jobs. Failure to focus on that common interest jeopardises the jobs of those in work and the job prospects of those (particularly young people and the long-term unemployed) who are without work.

The vision for the future can be nothing less than a fair and just society enjoying a steadily rising standard of living which is shared by all.

The prize is therefore enormous. The remarkable progress made in recent years and boosted by the ceasefires in the Autumn of 1994 was beginning to show what can be achieved. But a great deal remains to be done if our vision of a fair and just society is to be realised on the economic as well as on other fronts. We need to grow at a much faster rate than the rest of Europe is likely to achieve.

Growth comes from patiently cultivating existing markets and gaining entry to new ones. In the case of Tourism, it means selling Northern Ireland itself as a place where people will want to spend their leisure or attend their Business Conference. We can do it, but the economic breakthrough will require a massive and sustained effort. Business will continue to do its best, whatever the circumstances. But if Northern Ireland desires the kind of economic miracle which other regions have achieved, the whole community must now put its shoulder to the wheel.

We have hesitated before speaking so bluntly. We have, however, a duty to tell it as it is, before it is too late. There is already a lot of lost ground to recover. It can be done, but we simply cannot afford to slip back any further.

ABOVE STATEMENT ISSUED BY:

Confederation of British Industry
Hospitality Association for Northern Ireland
Institute of Directors
Northern Ireland Chamber of Commerce and Industry
Northern Ireland Committee of the Irish Congress of Trade Unions
Northern Ireland Economic Council
Northern Ireland Growth Challenge

5 August 1996

END

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ANNEX E

SPEAKING NOTES

- Warmly commend the group for its initiative. The group's statement was very timely, and admirably frank about the consequences of further violence on future prosperity for everyone. It struck just the right note.
- Government also concerned about damage to economy done by Drumcree and its aftermath.
- Baroness Denton gave me a full report on your very constructive meeting with her on 24 July. (Note you have been trying to meet with Senator Mitchell.)
- Acutely aware of business's loss of confidence at that time; full effects remain to be seen in next few months.
- The development agencies have been monitoring the effects of the disturbances on local business and on the drive for inward investment and tourism. [See attached note on "Cost of the Summer" for details.] In general:
 - Output levels probably not significantly affected, because of traditional "twelfth fortnight" holiday.
 - Local firms reported difficulties in transporting goods, getting to work, some loss of business, damage to premises.
 - Local firms indicate if no further incidents it should soon be "business as usual".
 - Inward investment - very adverse publicity has made IDB's task much more difficult; some months before full impact can be assessed; concern but "wait and see". Recent announcements encouraging (Seagate, BT, Abbey National and Prudential), but further violence could be extremely damaging.
 - Tourism - drop in enquiries every month this year from 1995 levels; ~~July~~ enquiries down 41% on July 1994. Some cancellations. But overall tourism performance this year compares favourably with 1994.
- Deplore present economic boycotts, and threat of boycotts; they are misguided and counterproductive - they can only damage trade, and further tarnish our reputation abroad.

August 49%
updated
27/9/96.

- Government has recognised need to help restore confidence locally and abroad. In particular, Baroness Denton and the DED agencies have been actively promoting our economic prospects and underlining the good news:

- Seagate's latest vote of confidence in NI (over 750 jobs this time, investment of £64m - brings Seagate's total commitment to £243m, offering over 2900 jobs).

- Recent announcement by BT, Abbey National and Prudential in Belfast, 110 new jobs expected.

- Bombardier's Global Express project and Harland & Wolff's Sea Empress contract encouraging.

- In employment we have highest June figure on record (573,090).

- Unemployment regrettably up by 400 over the last year (87,500 - seasonally adjusted - in August), but still 36,600 below the 1986 peak.

- Investment in tourism development is continuing, media interest in good news stories is increasing and tour operator plans for 1997 and beyond remain largely unchanged.

- Hope and expect that without further major incidents confidence will gradually return. All still to play for.

- However, this all clearly underlines need for progress towards lasting political settlement.

- Urge the group to continue to highlight to all the economic cost of community discord and failure to negotiate political way forward.

- Know the group will engage constructively with local politicians to that end.

COST OF "THE SUMMER"

1. Commercial costs

Companies have generally been reluctant or unable to provide details of actual losses incurred as a result of the summer disruptions. However, some examples of losses are as follows:-

- (i) Tennants Textile Colours on the Ravenhill Road, Belfast, suffered damage worth approximately £50,000 when the adjacent premises (Pentlands car showroom) was petrol bombed;
- (ii) DST (Silotank) in Northumberland Street, Belfast, suffered an arson attack on its moulds stores and £70,000 worth of moulds were destroyed;
- (iii) Taranto De Pol Ltd, Tandragee, (concrete and quarry products) were unable to meet an export order due to delivery problems (loss of order value £150,000);
- (iv) The Northern Ireland Food & Drink Association estimates that losses to companies in this sector could have been as high as £6 million through difficulties with deliveries; loss of vehicles; and loss of production from closures; and
- (v) The Killyhevlin Hotel was extensively damaged in a bomb attack on 14 July, in the first (major) terrorist incident in Northern Ireland since the breakdown of the IRA ceasefire. The hotel reopened in part shortly after the attack and now is operating with 14 bedrooms, full bar and restaurant facilities and two banqueting suites. It is expected that the hotel shall be fully operational by summer 1997.

In general, there is some lingering uncertainty among client companies about possible future effects following the disturbances such as a reluctance by major customers to become too dependent upon supply of product from Northern Ireland. A number of companies reported difficulties and delays in deliveries of raw material and the transportation of finished goods to customers. In one case, E&I Engineering, Londonderry, had to ship raw material via Dublin and freight to Letterkenny following a refusal by local hauliers to deliver.

2. Lost inward investment

The events around and following Drumcree have had an understandably adverse effect on IDB's inward investment efforts. There was widespread media coverage around the world of the events at Drumcree, including dramatic press photo and television coverage of the stand-off itself and the associated violence across the Province. Even in IDB's target markets in Asia Pacific, media coverage was extensive. The media coverage has created an impression of political instability in Northern Ireland.

The ending of the IRA ceasefire, with the London Docklands bombing, resulted in some caution on the part of potential investors but it was helpful that it was not followed quickly by violence in Northern Ireland itself. The events surrounding Drumcree changed that perspective.

There was a little encouragement for IDB's inward investment efforts in the aftermath of Drumcree. The overall picture which emerged after Drumcree was an attitude of "wait and see", though IDB feared that the reaction could have been worse.

There is no doubt, however, that company confidence in the stability of Northern Ireland has been damaged and that NI will be regarded as a region with increased risk. The task of IDB's Overseas Representatives in promoting NI as an investment location has been made significantly more difficult but it is impossible to judge how many prospective interests may have removed NI from their consideration. This may impact on IDB's achievement of its job promotion targets.

One externally owned food company with two potential projects for NI, put on hold consideration about investing in the wake of the July disturbances. However, following reassurances from the Executive Director and the compromise reached in Londonderry this situation eased.

Significant concern has been expressed by senior US executives in Emerson Electric Co. and Copeland Corporation with regard to the transfer of key proprietary machining technology to Northern Ireland. The issue is due to be discussed in the next few weeks. Loss of the machining aspect of the Copeland project would significantly diminish the quality of the NI investment.

Surgimedics (USA) - The company has particular concerns with regard to possible logistical breakdowns in terms of raw materials and finished goods supply as well as to the level of general lawlessness widely seen on national TV. As a result the board is unlikely to continue to support the NI option which could have resulted in the creation of 25 new jobs.

Although International Marketing Division lost no projects it felt the impact in the July-August 96 period during which 5 potential investors postponed planned visits to NI. No clients cancelled visits; one of the 5 companies which postponed (Post Office) re-scheduled its visit for mid August and came. The disturbances and earlier postponements have left some residual negatives in their thinking not least in their attitude to locating in Belfast. It is interesting to note that during July/August IMD handled 8 first time and 8 repeat visits from potential investors compared to 8 first and 4 repeat visits in the corresponding period in 1995.

3. Tourism Performance

In terms of revenue, it looks as if there will be a drop of £28 million in direct visitor spending. NITB estimates that this in turn will lead to a loss in indirect revenue in the region of £22 million, a total loss to the Northern Ireland economy of some £50 million. With every £23,000 in tourism revenue directly sustaining one tourism job, this drop in visitor spend clearly also affects the industry's potential to create much needed new jobs.

The most immediate effect of the disturbances were seen in the independent traveller sector where there were a number of incidents involving such tourists. These included the hijacking and burning vehicles of a Welsh family in Belfast and a French couple in Londonderry, and blockading of roads preventing a German party from reaching Larne Harbour.

The largest, and most deeply affected, part of this sector comes from ROI. Reports have been received of some people, disappointed with the handling of the Drumcree situation, opting to 'boycott' tourist breaks in Northern Ireland. While the independent travellers sector is flexible in terms of travel arrangements, and can adapt swiftly to positive circumstances, its longer term reaction will depend on the political situation in 1997 rather than on events of this summer.

The reaction of Tour Operators to the disturbances was mixed, although many reported that the Canary Wharf bomb had already badly affected summer bookings. Some

operators cancelled those coach tours which included Northern Ireland in their programmes, including Saga which had been using the Killyhevlin Hotel. Brendan Tours also booked with Killyhevlin were unable to obtain alternative accommodation in Fermanagh and re-routed twelve tours to stay overnight in ROI. Other operators continued their tour programmes with slight adjustments to their itineraries included Shearings, PAB, Action Tours and Trafalgar. By mid August, however, most tour groups were back on schedule and planning to complete the rest of their Northern Ireland programmes.

It is still too early to present an accurate picture of the effects on the Tour Operator sector. A number of new contacts, including Scandinavian Seaways, considering a Northern Ireland programme for 1997 have postponed making a decision. Existing tour operators, keen to continue with their contracted programmes during the 1996 season, are examining closely plans for the 1997 season and beyond.

Clearly the ultimate test of the impact of events of the summer will be in the 1996 visitor figures. Estimates suggest that 1996 holiday visits down by 25% and total visits down by 11% on 1995 levels. However, the comparison with 1994 figures is more encouraging with increases of 25% in holiday visitors and 7% on total visits. While all markets are expected to show a fall in total visitors in 1995, only the ROI market shows a fall on 1994 levels. On holiday visits, again the ROI figures show the most significant drop on 1995 levels, however all markets are expected to show a significant decline.

Enquiry levels at NITB offices for every month this year have shown a fall on 1995 levels. However, July was the first month to show a fall on 1994 levels, with a decrease from 35,528 in July 1994 to 32,541 this July.

This is reinforced by counter enquiries at major Tourist Information Centres during July and August which show a fall of approximately one third on 1995.

Acceptability of Northern Ireland as a holiday destination in Great Britain and Scotland, which increased during 1995, dipped following the Canary Wharf bombing but had recovered well by June. Levels remain well up on 1994, which is particularly encouraging given the 7% increase in hotel bedroom stock since 1994.

Recent events, especially those of the last two months, have had a significant impact on Northern Ireland's tourism industry. We will certainly be looking at tourism performance on the level of 1994, rather than that seen in 1995. However there is still much good

updated 27/9/96

eight months of the year are down 34% on 1995, but remain above the pre-collapse level - 17% on 1994

Enquiry figures to the first 17% on 1994

news to report. Investment in development is continuing, media interest in good news stories is increasing and tour operator plans for 1997 and beyond remain by and large unchanged.

4. Anecdotal evidence

Laurent Beaudoin, Chairman of Bombardier, was in the Northern Ireland in July on a golfing trip and experienced problems. As a result he went down south instead.

Galen, Portadown, encountered serious problems during the July disturbances. One key customer from outside Northern Ireland refused to travel and two cancelled their visits. In addition, the company was just about to appoint a key new member of staff, but he declined the offer due to family concerns about locating in Northern Ireland.

Raelbrook had been thinking about moving its warehouse facility from Manchester to Northern Ireland. While this was not imminent, it is not now under consideration.

International Net & Twine, Hillsborough, had customers visiting during the widespread disruption. They were unable to get to Belfast International Airport and had to drive to Dublin for a flight back to London.

Seagate Recording Media (USA) - The recent events created considerable unease. Senior executives visited NI in July to gauge the situation for themselves and received an NIO security briefing. The visit fortunately reaffirmed the decision to treat NI as the preferred location subject to some further negotiations which have been subsequently satisfactorily concluded.

Colorite (USA) - Although the situation was initially viewed with disgust and concern, these feelings have subsequently abated and will not impact the proposed implementation of the project.

X Ad.
(International media coverage):

Japan

There were 321 articles regarding the summer violence in Japanese newspapers from July 7 to July 31. There were an additional 58 in English-language newspapers in Japan during the same period.

US

In the US the violence was featured on regular CNN reports and as a front page story in the morning papers in Boston.

X
updated 27/9/96.
Acceptability of NI as a holiday destination in G.B. which increased during 1995, dipped following the Canary Islands bombing and again following the summer disturbances. Levels remain up on 1994, which is particularly encouraging given the 4% increase in hotel reservations since 1994.

Germany

"Whilst there are some companies that are investing in Northern Ireland, they are relatively few since the political situation is too troubled. The recent attacks will increase the negative image. I do not believe that entrepreneurs will invest in such a politically unstable region, even if there are no doubts in terms of economic policy."

comment made by: Matthias Wulff - German business journalist (Wirtschaftswoche)