



Subject:	Federation of Small Businesses –‘Making Northern Ireland an Enhanced Economic Zone’ proposal
Date:	14 February 2019
Reporting Officer:	John Greer, Director of Economic Development
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<b>Restricted Reports</b>	
Is this report restricted?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<b>If Yes, when will the report become unrestricted?</b>	
<b>After Committee Decision</b>	<input type="checkbox"/>
<b>After Council Decision</b>	<input type="checkbox"/>
<b>Some time in the future</b>	<input type="checkbox"/>
<b>Never</b>	<input type="checkbox"/>

<b>Call-in</b>	
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

1.0	Purpose of Report or Summary of main Issues
1.1	To make the Committee aware of the Federation of Small Businesses (FSB) proposal for Northern Ireland to be designated as an ‘enhanced economic zone’ in response to the ongoing Brexit negotiations.
1.2	This publication was prepared in October 2018 by the FSB NI, as part of their efforts to explore options in response to the Brexit process and to present an alternative scenario for the region.

<b>2.0</b>	<b>Recommendations</b>
2.1	<p>The Committee is asked:</p> <ul style="list-style-type: none"> <li>- to note the content of the report</li> <li>- to consider inviting a representative from Federation of Small Businesses to a future Committee meeting</li> </ul>
<b>3.0</b>	<b>Main report</b>
	<p><u>Key Issues</u></p> <p>3.1 The Federation of Small Businesses (FSB) represents the small and medium sized enterprises (SME) that tends to dominate the Belfast and regional private sector. Belfast has 10,560 VAT registered businesses (14% of the regional total). Almost one fifth of these businesses are micro and small businesses, employing less than 50 employees.</p> <p>3.2 During 2018, the FSB, working with Ulster University, held several focus groups in the region to provide a forum for business owners to express their views on Brexit. The key messages from the focus groups were in terms of a desire to minimise disruption and to take account of the region's unique position to identify opportunities for the future.</p> <p>3.3 Following this feedback, the FSB have produced a proposal that explores a future role for NI as an 'enhanced economic zone'. This proposal is designed to enable tariff-free trade between both the UK and EU markets after Brexit; providing access to the UK market for Ireland and the rest of the EU and vice versa and regulatory assurance for goods entering the EU through NI.</p> <p>3.4 The report acknowledges that it does not address all the challenges posed by Brexit and that compromises will be needed but it offers a pragmatic solution from the business community for consideration. A copy of the report is available on the FSB website at: <a href="#">FSB proposal</a></p> <p>3.5 The proposals are dependent on a number of assumptions. This includes a Withdrawal Agreement being in place that would include reference to the designation of NI as an Enhanced Economic Zone; that the UK/EU trade continues as-is at least until the end of the transition period in 2020; and the likely extension of the transition period to facilitate agreement on the future relationship.</p>

3.6	<p>The paper outlines a high level bespoke model for the region, examining the potential of NI to become an Enhanced Economic Zone post Brexit. Council officers have made contact with FSB for further detail. It is suggested that the Committee may wish to hear directly from FSB to further explore the proposal and specific considerations for Belfast.</p>
3.7	<p><u>Financial &amp; Resource Implications</u></p> <p>There are no financial or resource implications attached to this report.</p>
3.8	<p><u>Equality or Good Relations Implications/Rural Needs Assessment</u></p> <p>There are no equality, good relations or rural needs issues attached to this report.</p>
<b>4.0</b>	<b>Appendices</b>
	None.