

From the Office of the Minister



Department of
**Enterprise, Trade
and Investment**

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The Rt Hon Vince Cable MP
Secretary of State for Business, Innovation and Skills
1 Victoria Street
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30th July 2013

Dear Vince .

**REVIEW OF BALANCE OF COMPETENCES – LAUNCH OF CALLS FOR
EVIDENCE RE FREE MOVEMENT OF GOODS; TRADE AND INVESTMENT;
RESEARCH AND DEVELOPMENT**

You wrote to the First Minister and deputy First Minister on 17 May 2013 regarding the launch of three new Calls for Evidence as part of the Review of the Balance of Competences launched by the Foreign Secretary in July 2012. These reviews covered the Internal Market; Trade and Investment; and Research and Development. The NI Executive has agreed that individual Ministers will reply on those issues over which their individual Departments have policy responsibility and I am writing to you in my capacity as Minister with responsibility for Enterprise, Trade and Investment.

Review of the Internal Market

The Northern Ireland Executive has put export-led economic growth at the centre of its economic strategy. The ability to move goods freely within the Internal Market is therefore vital to NI businesses in pursuit of this objective. The EU accounts for half of Northern Ireland's manufacturing export sales and you will be aware of the particular importance of the Republic of Ireland market to NI companies. EU competence in this area helps to ensure the free and efficient movement of goods and limits potential barriers to trade that could result from significantly different national regulations. While the prevailing system with respect to intellectual property (IP) rights shows significant harmonisation, there remain areas which have not been fully harmonised and there is therefore scope to further improve in this area.

Trade and Investment

The review of this competence rightly distinguishes between the responsibilities for trade policy (and associated international agreements) and trade promotion. In the context of devolution, much of the activity with respect to trade and investment promotion (both inward and outward) is the responsibility of the devolved administrations. In the NI context, Invest NI is central to our efforts to boost trade and attract higher value added inward investment. That said, we recognise the role played



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by UKTI and look forward to continuing and deepening the working relationship between Invest NI & UKTI going forward.

Research & Development

Within the NI Economic Strategy, Innovation and R&D has been identified as the key driver of export-led economic growth. The EU's FP7 programme has had a positive impact on NI R&D through both the resources secured and the collaborative research opportunities with leading centres across the EU that NI researchers have enjoyed.

The steps to be taken under Horizon 2020, to bring more of the schemes under the H2020 umbrella and standardising a number of the regulations and structures, should address some of the coordination issues that have occurred under FP7.

Looking ahead, the EU could enhance the EU's scientific and technological bases, for the benefits of all member states and regions, by doing more to address the barriers which limit intra-EU collaboration and circulation of research and knowledge. A particular concern for NI, is how the EU could encourage greater engagement by SMEs in programmes such as Horizon 2020. While future enlargement of the EU provides opportunities for further collaboration, it should be recognised that enlargement could also increase competition for scarce resources.



Minister of Enterprise, Trade and Investment