



**Comhairle Contae
Dhún na nGall**
Donegal County Council



Derry City & Strabane
District Council

Comhairle Chathair
Dhoire & Cheantar
an tSratha Báin

Derry Cittie & Stràbane
Destríck Cooncil

The North West City Region and Brexit

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Derry City & Strabane District Council

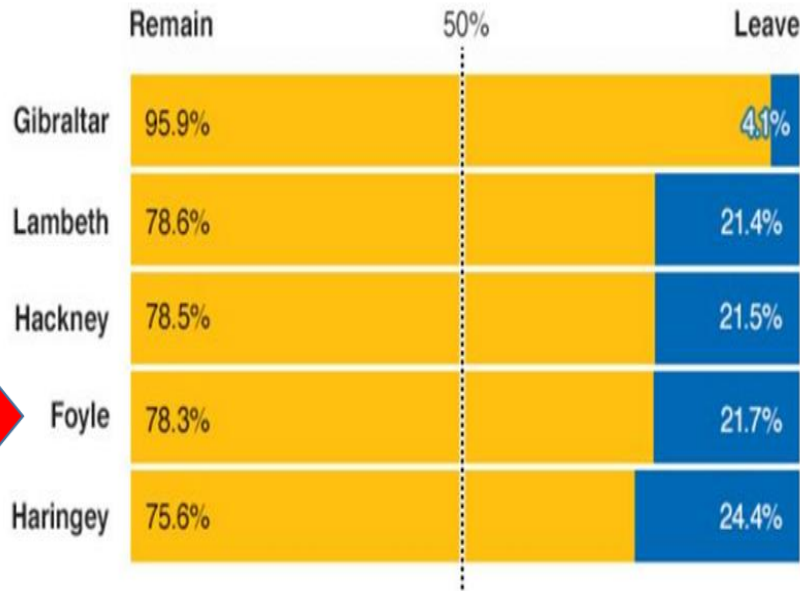
Brexit and the North West

- **Where we are – Brexit 2 years on**
- **Clarity or confusion?**
- **Complexity of Border life**
 - **The people and the place**
- **Employment Impacts**
- **Our response – Strategic Growth Plan**

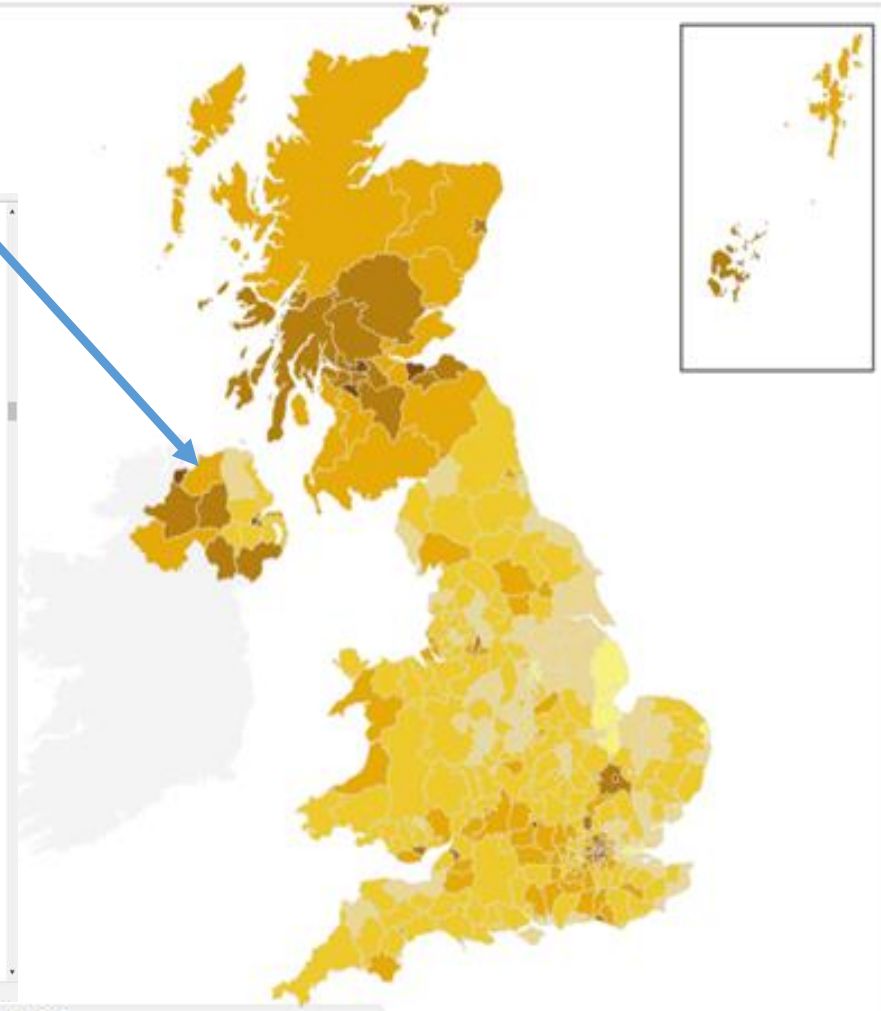
EU Exit: Referendum voting

Foyle 4th Highest vote to remain
8 out of 10 voted to remain

Support for Remain, the top five areas (%)



The Remain share of the vote mapped

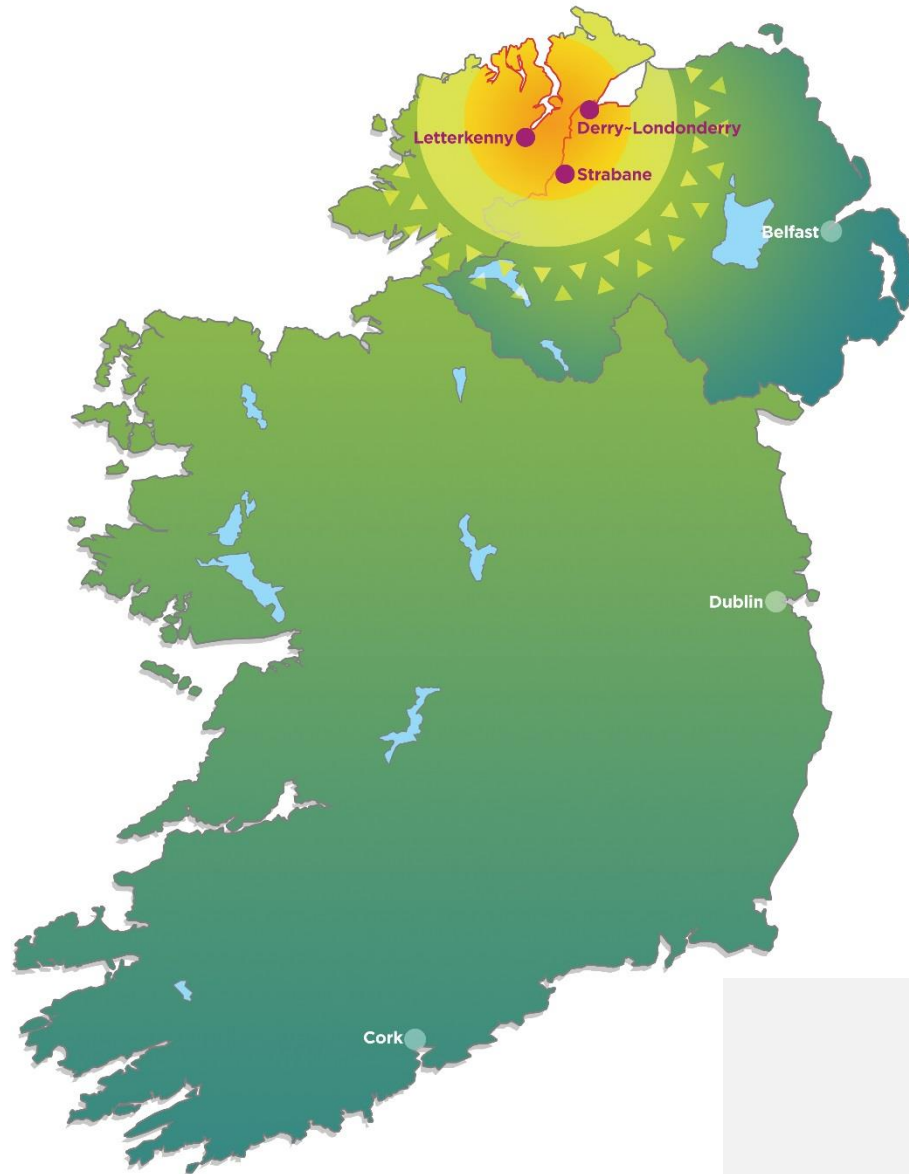


North West City Region

- **Cross-Border City Region - Encompassing Letterkenny, Derry/Londonderry & Strabane**
- > 350,000 population
- **Derry/Londonderry – 4th largest city on the Island**
- **35% of population <25 years**
- **40,000 3rd level students – UU; NWRC; LYIT**
- **2 major acute regional hospitals**
- **Sub-Regional Economic Driver – both North and South**

North West City Region

Meeting the
needs of
350,000 people
in the context
of change



Challenges

- **Legacy of underinvestment**
- **Low economic activity; high social deprivation**
- **Connectivity and Peripherality**
- **Only City Region in UK/Ireland on an International jurisdictional border**
- **Back-to-back planning/engagement of governments**
- **Brexit ...**

Brexit Scenario Forecast – Copenhagen Economics

Summary of results

| | EEA Scenario | Customs Union Scenario | FTA Scenario | WTO Scenario |
|------------|--------------|------------------------|--------------|--------------|
| GDP Impact | -2.8% | -4.3% | -4.3% | -7.0% |
| Exports | -3.3% | -4.4% | -4.5% | -7.7% |
| Imports | -3.5% | -4.7% | -4.8% | -8.2% |

Note: The impact on GDP under a Customs Union scenario could be reduced to 3.4% if political agreement can be reached to minimise customs procedures.

Hard Sex, Charities

Copenhagen Economics

CE

IRELAND & THE IMPACTS OF BREXIT
STRATEGIC IMPLICATIONS FOR IRELAND ARISING
FROM CHANGING EU-UK TRADING RELATIONS



Brexit Scenario Forecast – Feb 2018

Figure 13. Long-term impact of BREXIT on Ireland's GDP

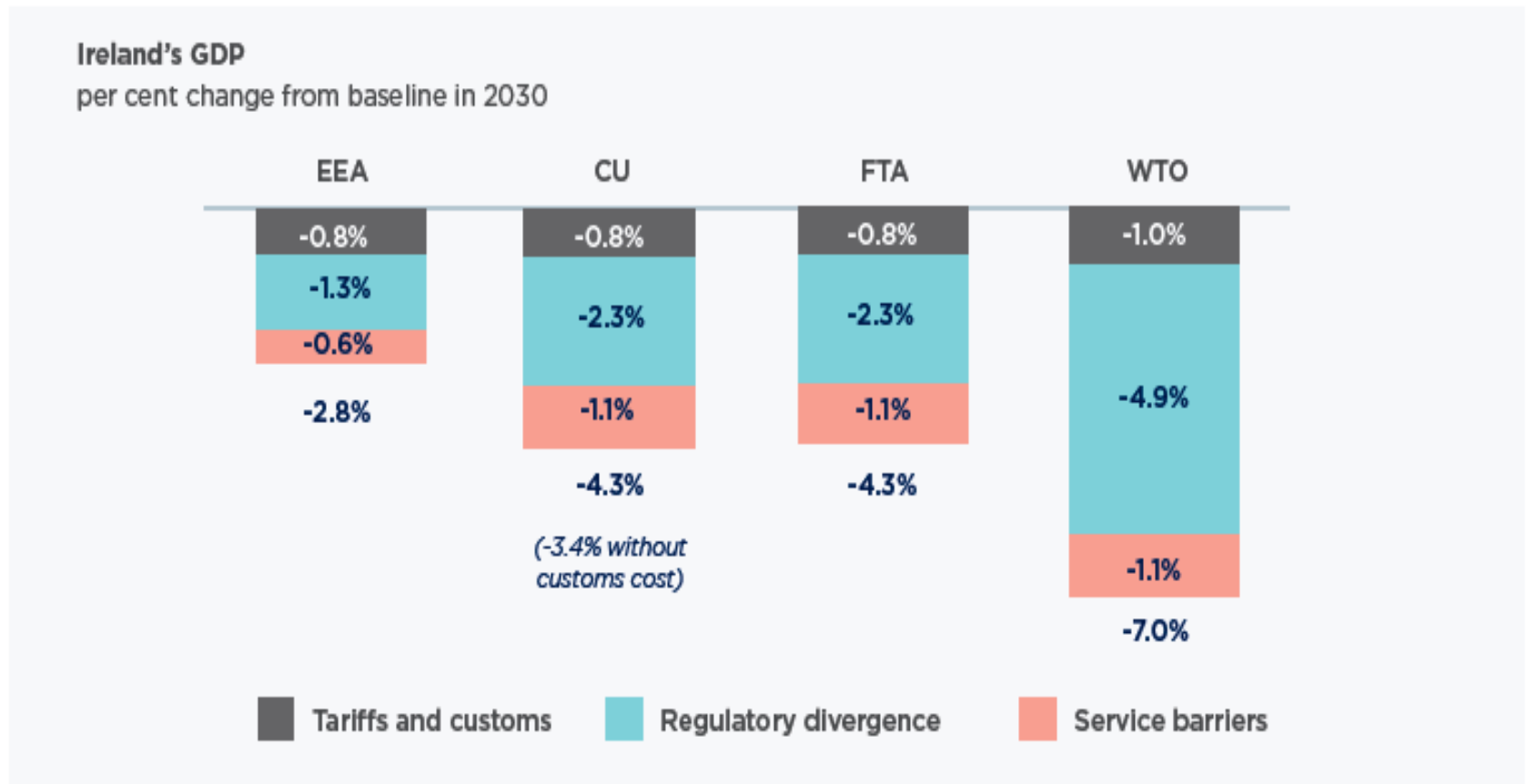
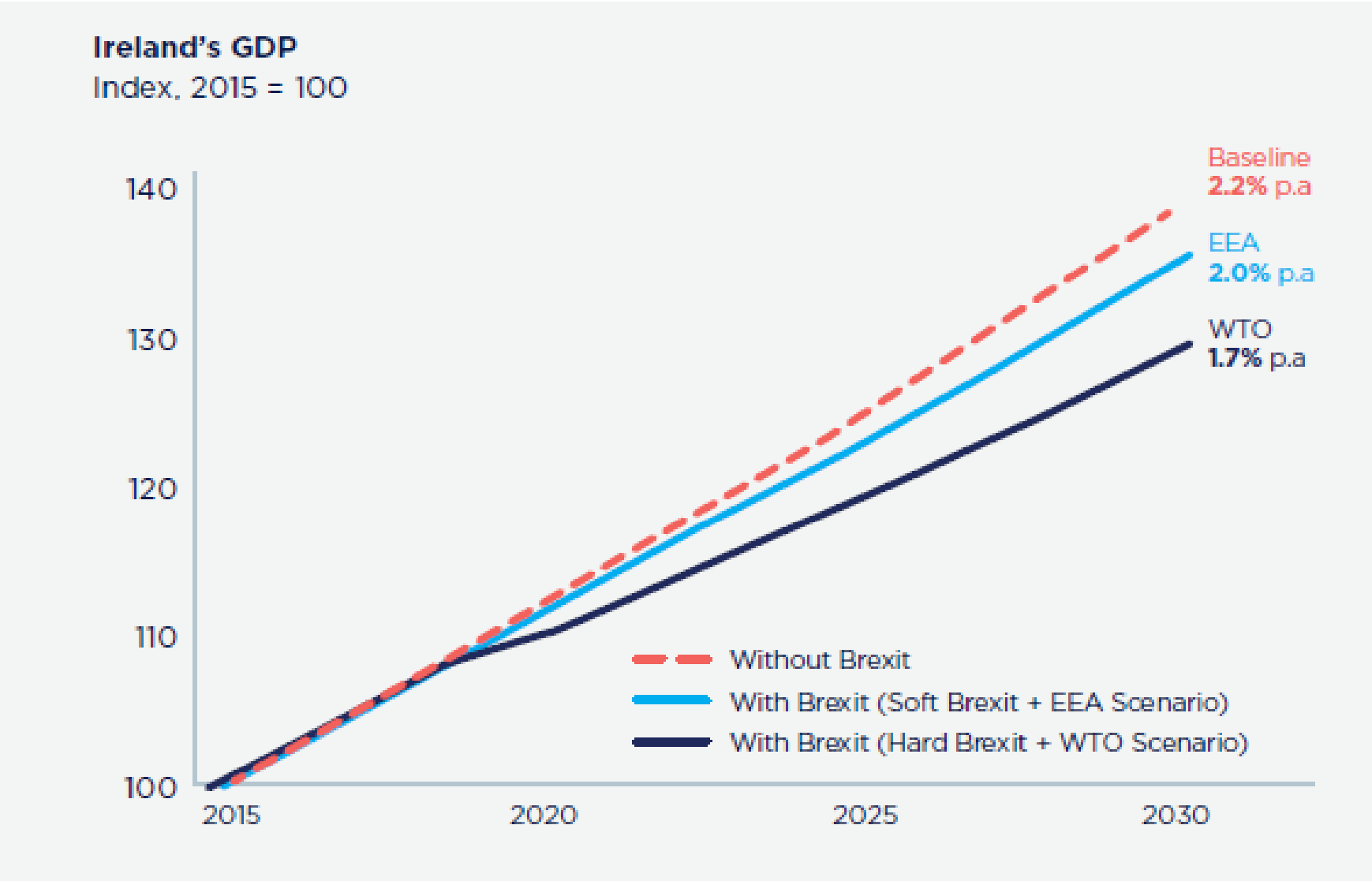


Figure 14. Development of Ireland's GDP with and without Brexit



NI Dept. for Infrastructure traffic counter data NI/IREL

- **118,000 vehicle crossings per day in May 2017**
- **@15 Principal crossings: 43 Million vehicle border crossings (2017 est.)**
- **HGV 5% or 2.15m – 7,000 per work day (est.)**
- **LGV 7% or 3.01m – 10,000 per work day**
- **900,000 cross border coach passenger journeys 2016/17**
- **110 Million persons crossings (2017 est.)**

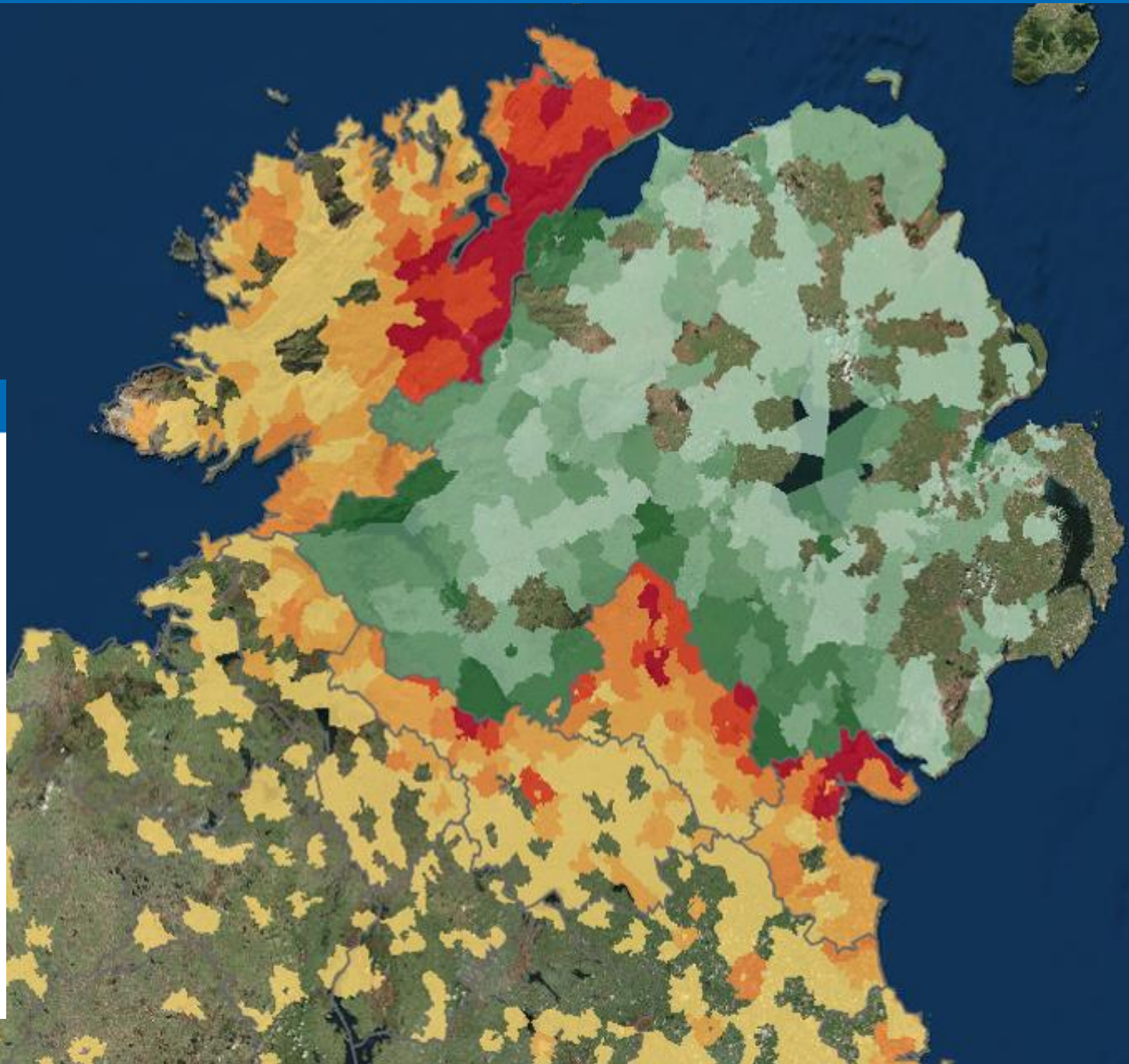
Source: HMG, NI and Ireland
Position Paper, Additional Data
Paper CTA Data and Statistics,
Aug 2017

*Initial Analysis of the Challenges and Opportunities of Brexit
for the Derry City & Strabane and Donegal County Council areas -
The North West City Region*



February 2017





Legend

Cross Border Commuters

Origin (Count of persons)

- 0
- 1 - 3
- 4 - 10
- 11 - 25
- 26 - 50
- > 50

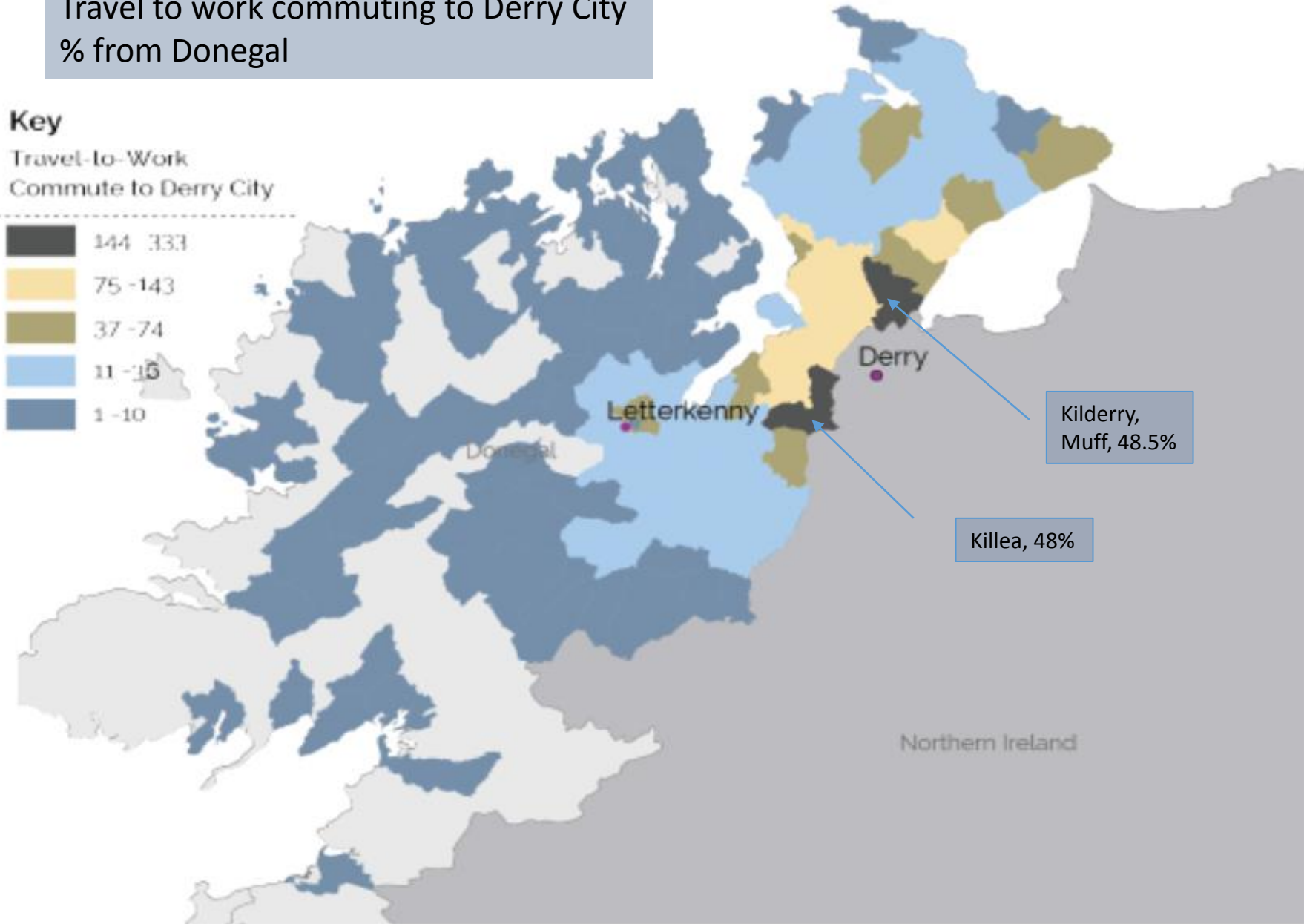
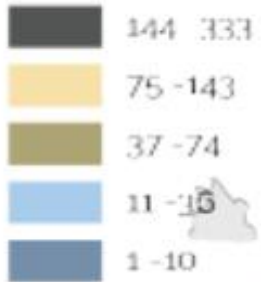
Destination (Count of persons)

- 0
- 1 - 3
- 4 - 10
- 11 - 25
- 26 - 50
- > 50

Travel to work commuting to Derry City % from Donegal

Key

Travel-to-Work
Commute to Derry City



Population of surrounding Rol Settlements - 2011

| Settlement | Total Population | Born in UK | |
|--------------------|------------------|--------------|-----------------|
| | | Number | % of Total Pop' |
| Muff | 1,271 | 811 | 63.8% |
| Kildrum (Killea) | 581 | 380 | 65.4% |
| Newtowncunningham | 1,067 | 353 | 33.1% |
| Bridge End | 497 | 255 | 51.3% |
| Burnfoot | 466 | 209 | 44.8% |
| Carrigans | 336 | 166 | 49.4% |
| Tievebane (Tooban) | 351 | 124 | 35.3% |
| St. Johnston | 583 | 117 | 20.1% |
| Quigley's Point | 227 | 109 | 48.0% |
| | | | |
| Total | 5,379 | 2,524 | 46.9% |

Source: Census of Population, Rol, 2011

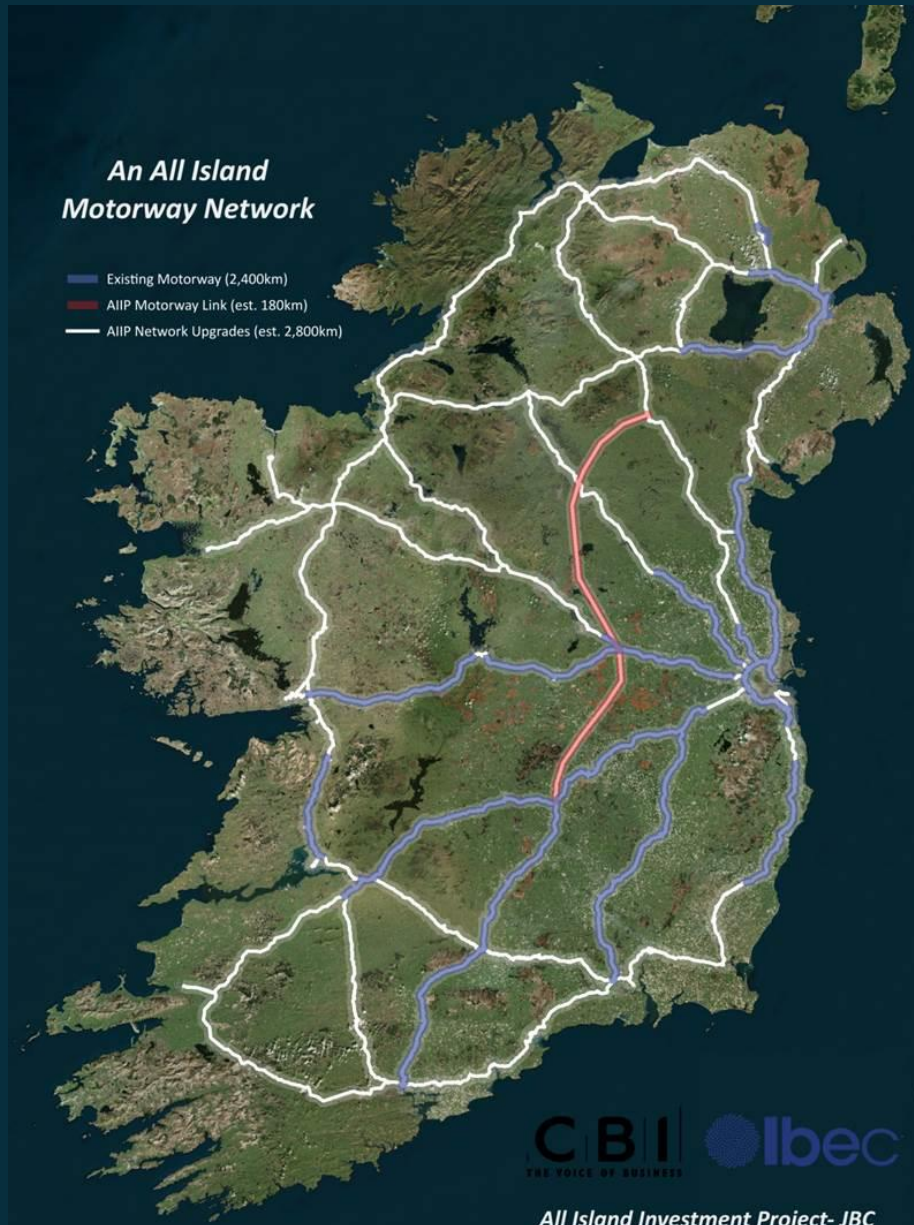
Current Motorway Network



All Island Investment Project- JBC

Placement and category of roads for illustrative purposes only. Data source: CSO, NISRA

An All Island Motorway Network



All Island Investment Project- JBC

Placement and category of roads for illustrative purposes only. Network demonstrates scale and ambition of vision.

Traffic Movements 3 crossing points

Donegal/Derry Frontier – DRD 2015 data

| Route | Traffic Movement (per week) | Traffic Movement (per work day) |
|---------------------------|--------------------------------|------------------------------------|
| Derry-Bridgend (border) | 134,863 | 19,266 |
| Derry-Culmore (border) | 71,145 | 10,164 |
| Strabane-Lifford (border) | 120,569 | 17,224 |
| Total no. journeys | 326,577 | 46,654 |

Dept. for Infrastructure traffic counter data

NI: 118,000 vehicle crossings per day in May 2017

NI: 43 Million vehicle border crossings (2017 est.)

NI: 110 Million person crossings (2017 est.)

Source: NI and Ireland position paper, Aug 2017, HMG

DCSDC: People

Estimates of % RoI Cross-border workers

Public Sector

- 30% in Health
- 25% in 3rd Level Education - staff and students
- 20-25% in local authority

Private

- 25% in Derry Port
- 25% in Seagate – 1400 employees

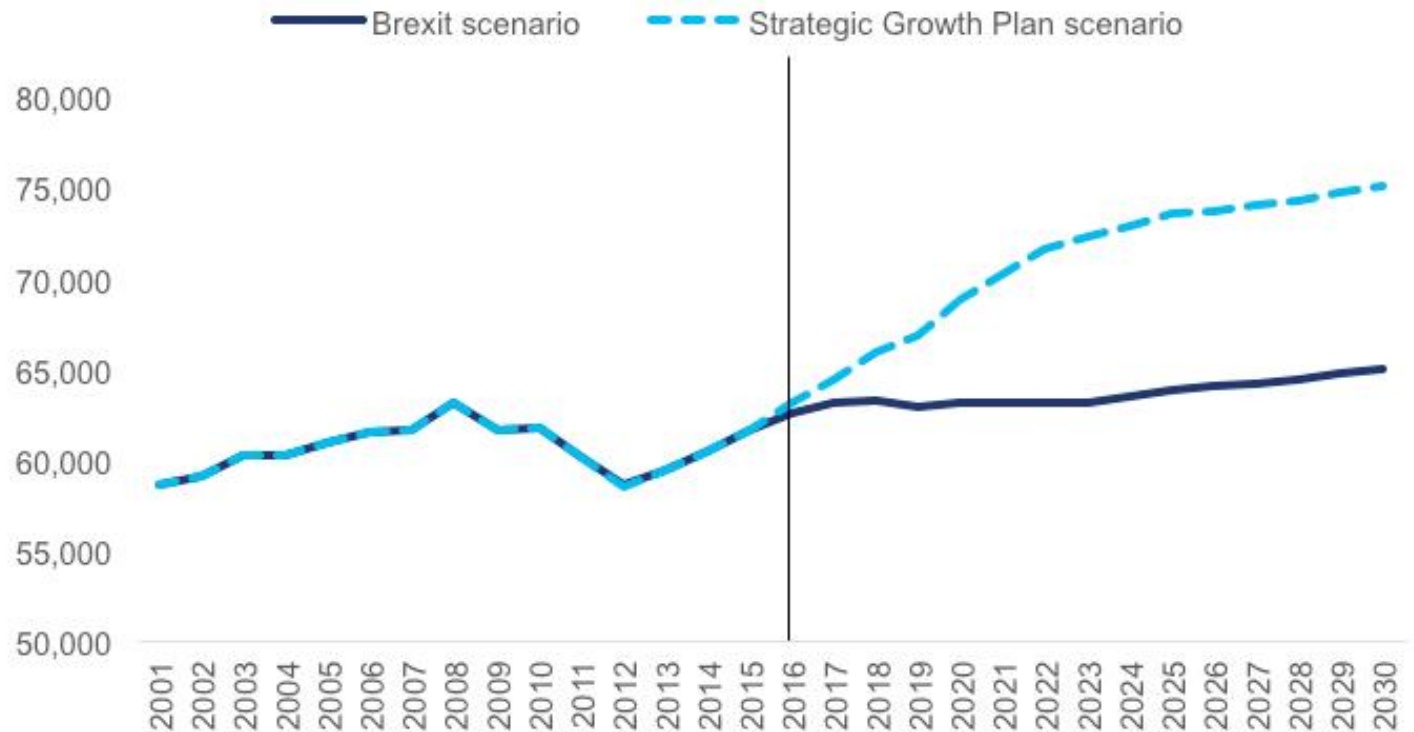
Head of NI Civil Service – David Sterling

“Northern Ireland’s competitiveness could be significantly and adversely affected, if one side of that border has freer access to labour/skills.

Research undertaken by the Department for the Economy examining US companies’ motives for undertaking FDI in NI, the UK or Rol cited the availability of a skilled workforce as their top motive for investing in NI, ahead of market access, government support or regulatory and business climates.”

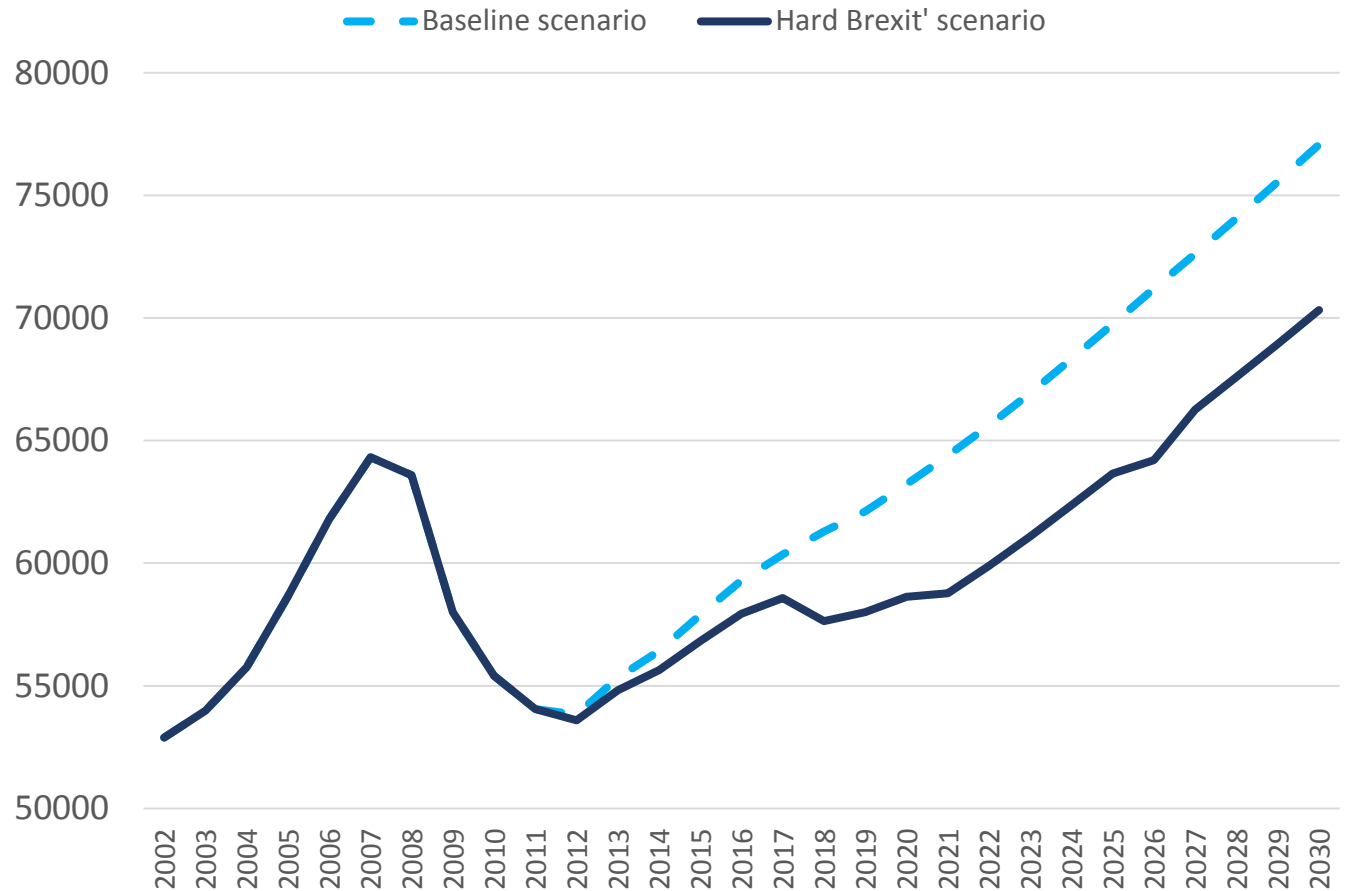


Derry and Strabane Brexit and Strategic Growth Employment Forecast



Source: UUEPC/ D&SDC inputs

Donegal – Baseline and 'Hard Brexit' Employment Forecasts



Source: UUEPC

IRELAND NORTHWEST

*gateway
to growth*



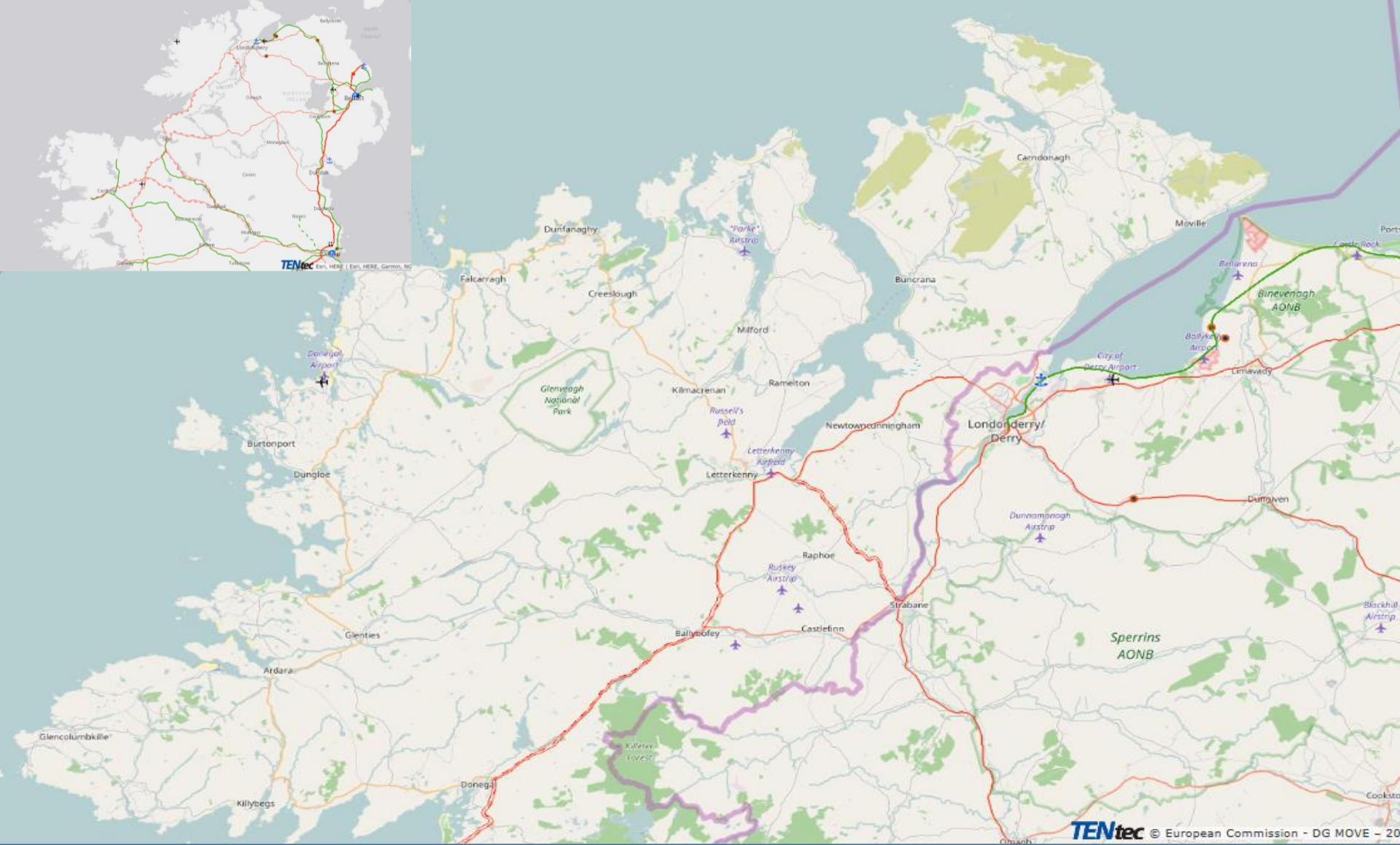
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Mitigating Interventions - Our People and Place

- ***Connected*** – Improved Road, Rail, Air, Broadband Infrastructure
- ***Competitive*** – Expansion of University & Colleges, - development of skills and talent
- ***Cohesive*** – Enhanced Inclusivity, Collaborative Working & breaking down barriers



Key Infrastructure:
TEN-T Comprehensive Network Donegal Strabane Derry/Londonderry

Mitigating Measures

- **No Economic Border**
- **Free movement of people, goods and services**
- **North West of Ireland European Territorial Co-operation Programme – post 2020**

Competitiveness - Connectedness

Strategic growth plan - priority actions



The expansion of the **Ulster University at Magee and our other colleges**



- **A5 Western Transport Corridor**
- **The A6**
- **The N14 Letterkenny/Lifford road**
- **Increasing the frequency of inter-rail connectivity**
- **The development of our Airport & Port**
- **The A2 Buncrana Road Economic Corridor**
- **A multi-modal transport hub**
- **Significantly improving rural broadband connectivity**



Development of our key regionally economic sites in **Ebrington, Fort George and Strabane town centre**

Living and working in a Border Region: **the people** – the knowns and unknowns

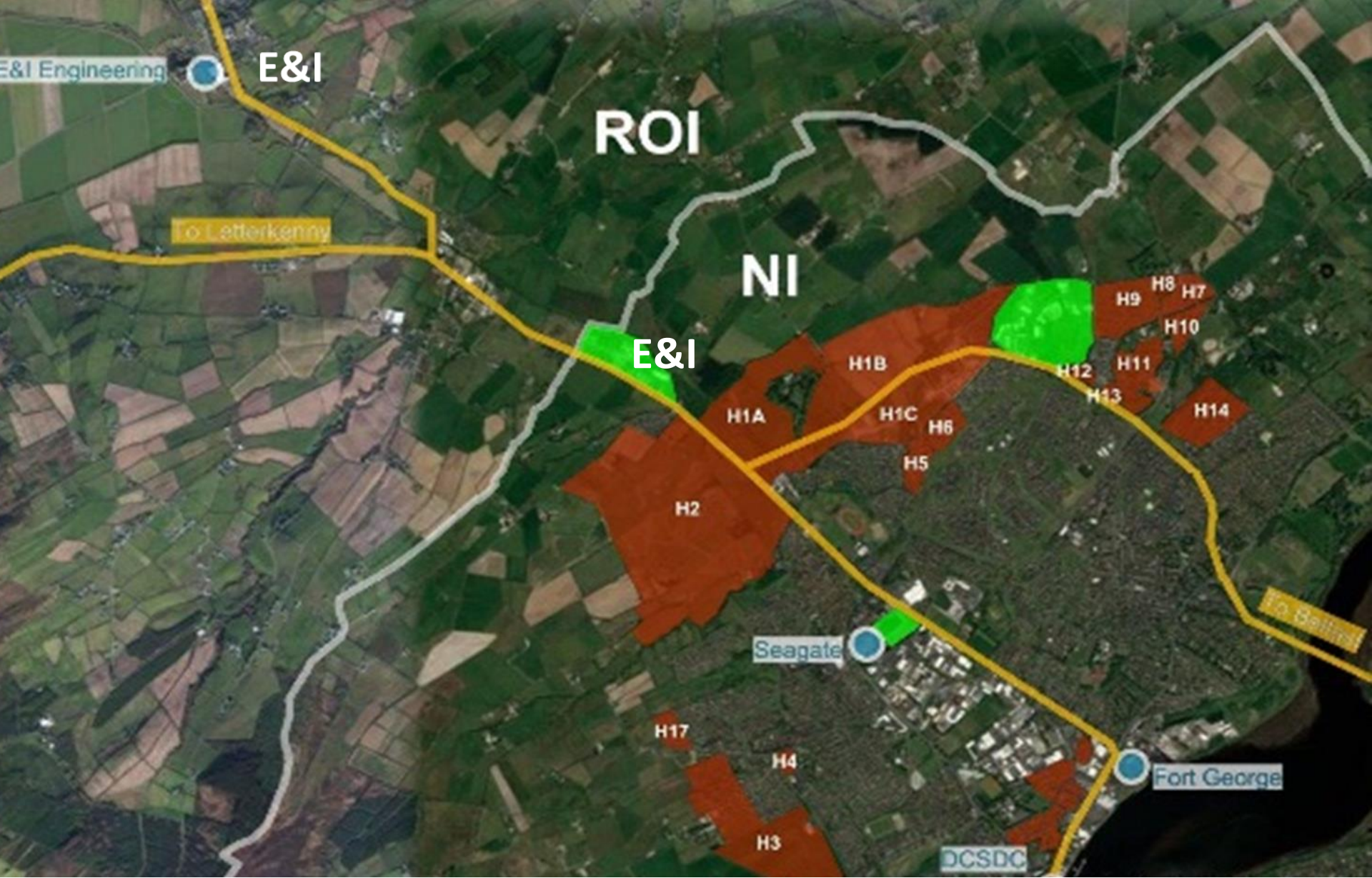
- More or less daily movement cross-border?
- Internal migration in Border Regions
- Demand for housing North and South
- Demand for school places
- Impact on health service
- Demographic impact – short and long term
- Dependency ratios
- Relative economic growth rates

Living and working in a Border Region: **the place** - the knowns and unknowns

- Impact non-uniform – spatially and sectorally
- Disruptive effect – NI productivity
- Some industries will see little impact – I.T.
- Some will face major challenges –
*Agri-food – Pharma – Chemicals – Electrical
Machinery – Wholesale/Retail*
- Duplication of resources across border feature of Brexit – economic inefficiency – retardation of growth
- Business Behaviour - Risk minimization strategy – bi-location

Killea, Donegal/Derry Border







1200 staff 30% RoI



1200 Staff 15-20% NI



1800 Staff 30% NI



600 staff 60% NI

THE EU'S 'BACKSTOP' PROPOSAL 11 June 2018

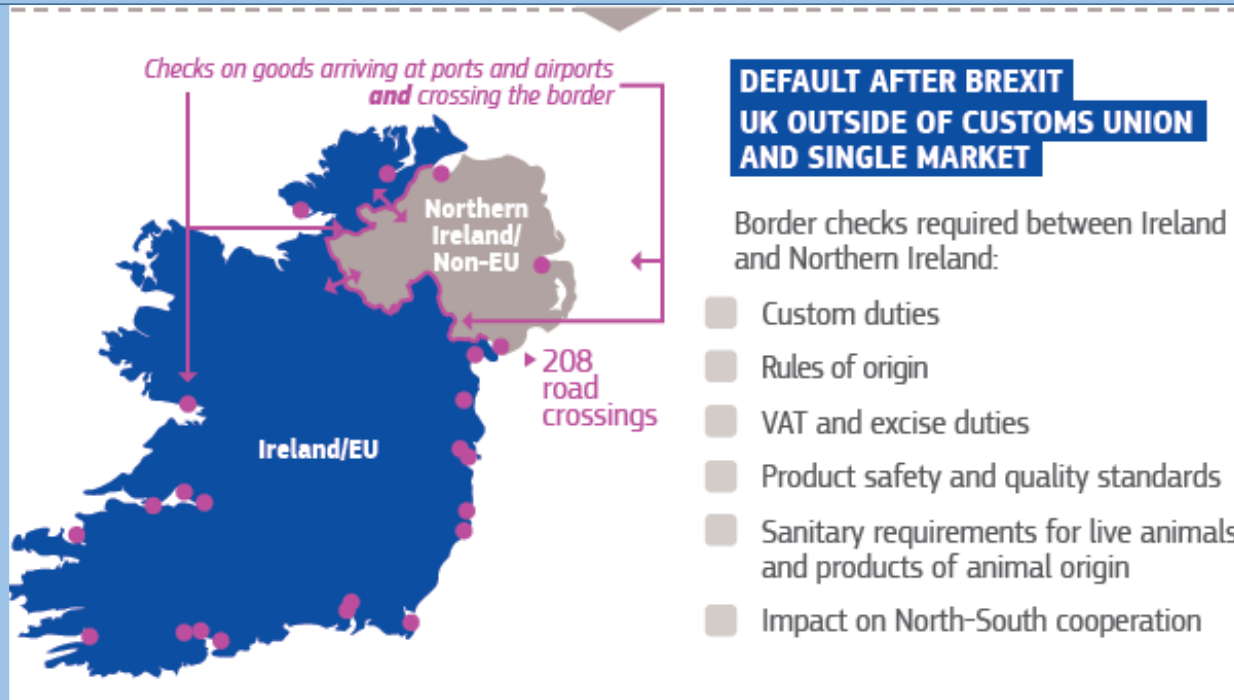
TODAY

Open border between Ireland and Northern Ireland

- ✓ Common tariffs and rules of origin apply to non-EU goods
- ✓ Common VAT and excise area
- ✓ Common product safety and quality standards (e.g. food, chemicals and consumer goods)
- ✓ Single epidemiological unit with common rules for animal health and welfare



This infographic presents a visual summary of the 'Protocol on Ireland/Northern Ireland', which is part of the draft Withdrawal Agreement published on 19 March 2018.

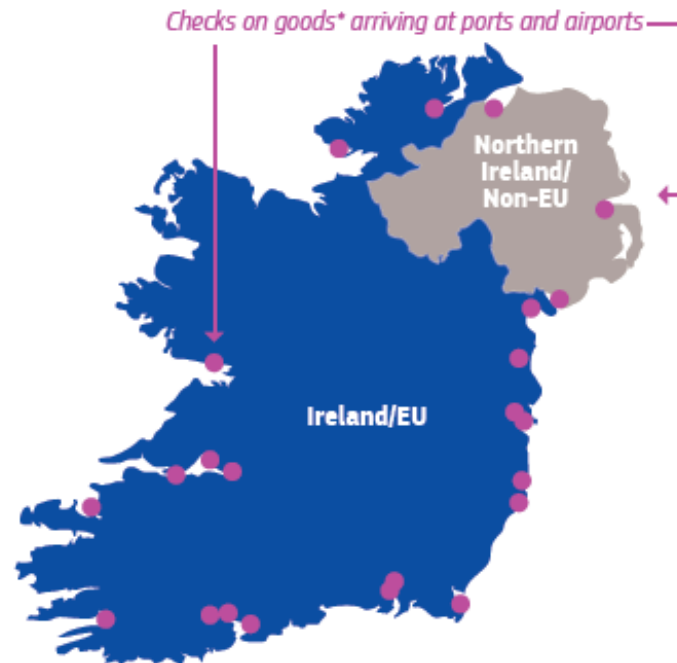


**EU'S 'BACKSTOP' PROPOSAL
TO APPLY UNLESS AND UNTIL
ANOTHER SOLUTION IS FOUND**

Open border between Ireland and Northern Ireland

Access of Northern Ireland to Single Market for goods:

- ✓ EU tariffs and rules of origin apply to non-EU goods
- ✓ EU VAT and excise rules
- ✓ EU product safety and quality standards (e.g. food, chemicals and consumer goods)
- ✓ EU rules on animal health and welfare



Brexit Impact

In aggregate – manageable for ROI?

However, Donegal/Derry disproportionately affected ...

Heavy dependency on 'traditional industry', farming, agri-food/ fishing

The areas affected most are least likely to benefit from the relocation of UK financial services without state intervention

Dual Economy- sectoral composition - FDI/Indigenous

Firm Characteristics

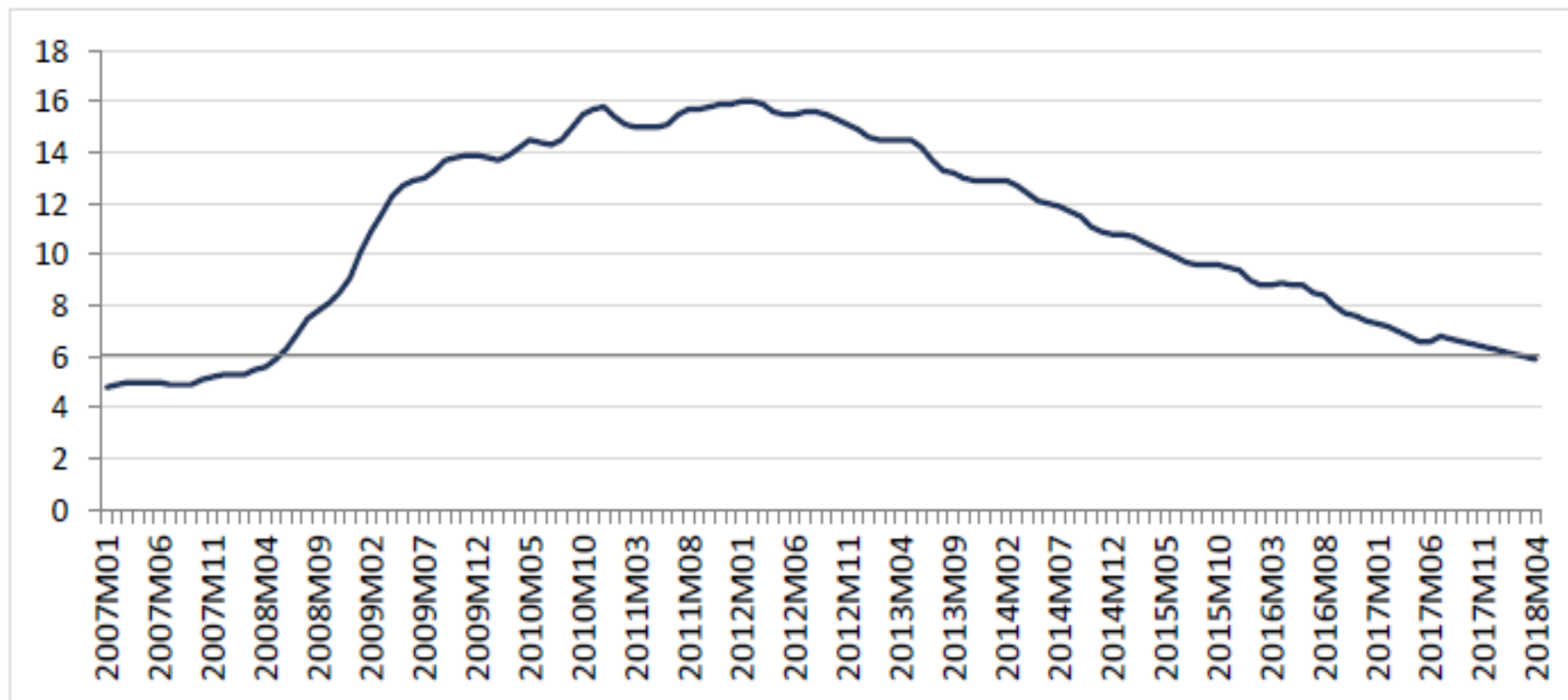
Indigenous – low value added, low export propensity/diversity, heavily dependent on NI/GB market

FDI – High tech – more capacity to adapt to change less dependent on UK market

HOWEVER.....Some Good News

– Context is everything

FIGURE 49 SEASONALLY-ADJUSTED UNEMPLOYMENT RATE BY MONTH (%)



Source: Labour Force Survey, Central Statistics Office.

TABLE 6 2017 EMPLOYMENT RATES BY AGE GROUP AND EDUCATIONAL (%), IRELAND AND EU28

| | | Ireland | EU |
|--|----------------------------|----------------|-----------|
| All Education levels | Total (15-64 years) | 67.7 | 67.6 |
| | From 15 to 24 years | 40.0 | 34.7 |
| | From 25 to 54 years | 77.9 | 79.6 |
| | From 55 to 64 years | 58.6 | 57.1 |
| Lower secondary or below | Total (15-64 years) | 36.9 | 45.5 |
| | From 15 to 24 years | 10.3 | 18.9 |
| | From 25 to 54 years | 53.9 | 62.0 |
| | From 55 to 64 years | 46.3 | 42.3 |
| Upper secondary and post-secondary non-tertiary | Total (15-64 years) | 67.9 | 70.9 |
| | From 15 to 24 years | 54.0 | 46.1 |
| | From 25 to 54 years | 74.5 | 81.1 |
| | From 55 to 64 years | 61.4 | 59.0 |
| Tertiary | Total (15-64 years) | 84.5 | 84.0 |
| | From 15 to 24 years | 78.6 | 60.9 |
| | From 25 to 54 years | 87.1 | 88.1 |
| | From 55 to 64 years | 70.1 | 72.5 |

Sources: Labour Force Survey, Central Statistics Office, Eurostat.

ESRI, QEC, JUNE 2018

TABLE 5 EMPLOYMENT RATES (15-64 YEARS) BY GENDER AND EDUCATIONAL ATTAINMENT LEVEL (%)

| Gender | Education levels | 2000 | 2007 | 2017 |
|--------|---|------|------|------|
| Total | All Education levels | 64.5 | 71.8 | 67.7 |
| | Lower secondary or below | 48.1 | 52.4 | 36.9 |
| | Upper secondary and post-secondary non-tertiary | 72.6 | 76.8 | 67.9 |
| | Tertiary | 86.5 | 86.7 | 84.5 |
| Male | All Education levels | 75.7 | 80.4 | 73.0 |
| | Lower secondary or below | 62.8 | 65.0 | 45.9 |
| | Upper secondary and post-secondary non-tertiary | 84.3 | 86.9 | 75.4 |
| | Tertiary | 91.2 | 91.4 | 88.8 |
| Female | All Education levels | 53.2 | 62.9 | 62.4 |
| | Lower secondary or below | 31.7 | 37.4 | 25.6 |
| | Upper secondary and post-secondary non-tertiary | 61.9 | 66.8 | 60.2 |
| | Tertiary | 81.3 | 82.8 | 80.9 |

Sources: Labour Force Survey, Central Statistics Office, Eurostat.

Unemployment rate revised sharply lower to 5.3% - CSO

Updated / Wednesday, 20 Jun 2018 15:15



Population could hit 6.69 million by 2051 - CSO

Updated / Wednesday, 20 Jun 2018 15:51

