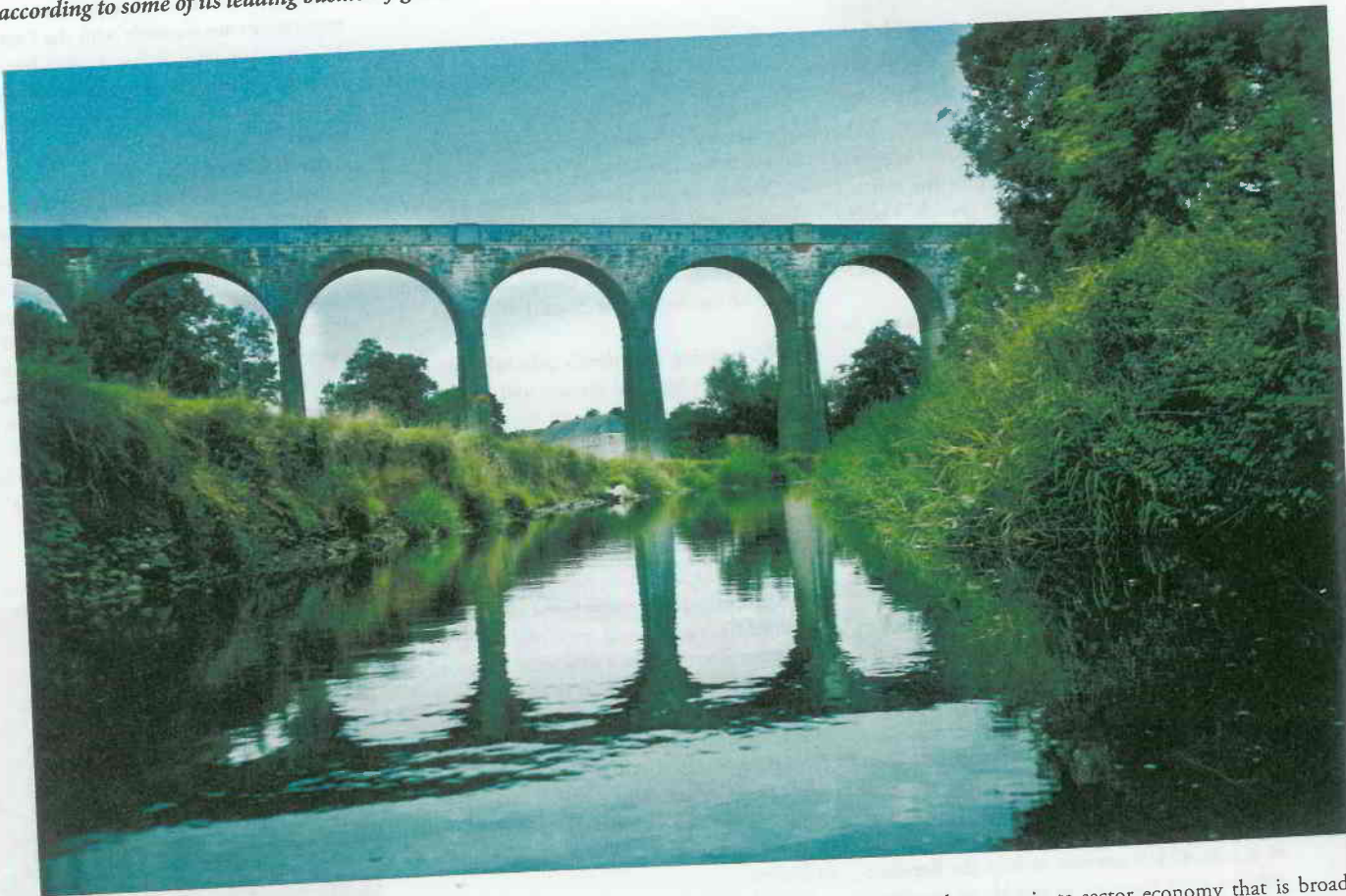


# The new frontier

*Neglected as a frontier town during the Troubles, Newry developed an entrepreneurial culture that has resulted in a high concentration of successful export-focused businesses, and could provide a blueprint for the development of the rest of Northern Ireland's economy, according to some of its leading business figures.*



In recent years Newry has mostly appeared in the headlines because it has been a major beneficiary of the boom in cross-border trade.

Shoppers from the Republic flooded over the border to take advantage of the strong euro in 2008 and 2009, and kept coming back even when exchange rates equalised. A retail offering including big name brands such as Debenhams, Marks & Spencer and Sainsbury's has ensured that Newry has held its appeal to shoppers both north and south of the city.

But the Greater Newry Area has a lot more going for it than just retail, with businesses in the region across a range of sectors maintaining their success despite the recession.

Among them are the likes of Norbrook Laboratories (pharmaceuticals), Glen Dimplex (electronics), MJM (specialist fit out), O'Hare McGovern (construction), First Derivatives (financial software), FPM (accounting), Parker Green International (property), Autoline (insurance), B/E Aerospace and Thompson

Solutions (aviation), SCA (packaging) and many more.

Conor Patterson, president of Newry Chamber of Commerce says it is no accident that a number of successful export led businesses have grown up in the region.

"Newry was peripheralised in the past for a range of reasons. It was on the edge of a state that looked inwards and didn't look outwards. As the state has looked outwards and looked to relationships, particularly with the Republic over the last 15 years, Newry was the main entry and exit point, the gateway. The dissolution of the border as a customs and security border has advantaged us," he said.

Dr Patterson also believes that no other area has catalysed every £1 of public investment allocated to it like Newry.

"The story of Newry is that we have relatively low levels of public sector employment here. We haven't had large scale inward investment here like other areas. That in the past might have been an issue but it is now an advantage. We now

have a private sector economy that is broad based with lots of successful micro enterprises," he said.

Dr Gerard O'Hare, managing director of Parker Green International, which owns T Quays shopping centre, agrees that what was once Newry's disadvantage is now its advantage.

"Because we were a frontier location during the troubles we weren't the most attractive location for great support. Because of the entrepreneurial spirit you find around Newry area grew itself and is self-perpetuating. Self-help became a way of life. We're now in the second generation of that and I think we are a microcosm of what Northern Ireland could be," he said.

Dr O'Hare says that despite the economic difficulties currently being experienced in the Republic, the retail story is also still a relevant one for Newry.

"There's no doubt that from the highs of 2008 and 2009 that footfall has come back over the year, somewhere between 10% and 20%," he explains.



Michael Blaney

**“Newry is fast becoming recognised as a financial services hub with companies that have experience of working both north and south of the border.”**

“But based on the more stable 2007, at the end of this year we’ll be up 8%-10%. As people become comfortable shopping in the north I think we can retain that steady growth. The big factor still is that the pricing difference between Northern Ireland and the Republic is somewhere in the region of 30% to 35%,” he adds.

“The problems down there are structural. So many parts of the economy feed into the higher prices, for example labour. We pay our cleaners here at The Quays £6 an hour. For a shopping centre in the Republic they get paid €12 which is about £10. Their VAT rates and excise duties are also higher and push prices up.”

Chancellor George Osborne has said that a thriving economy in the Republic is vital to UK national interests, and perhaps nowhere in the UK is more linked to the fortunes of the Republic than Newry. Where around 50% of the province’s exports go to the Eurozone—a substantial part of that to the Republic—Dr O’Hare estimated that for the greater Newry area the figure is more like 70%.

“Obviously we have large companies like Glen Dimplex, Norbrook and SCA who export to many countries, but a substantial part of our indigenous exports would go to the Republic, so it is in all our interests to help the Republic stabilise their economy as quickly as possible,” he says.

“The future without a doubt is about global trade. Therefore we all need to make ourselves more saleable on a global basis. We can export goods, services, skills, intellect – that can be done better on a collaborative basis on the island of Ireland.”

One local company that is successfully exporting to global markets in financial software and consulting business First Derivatives, founded by Newry native Brian Conlon.

The company has recently announced it is to bring a further 100 financial services jobs to the city and has also redeveloped a derelict former 18th century grain store as its headquarters in the centre of Newry, helping regenerate an area that had been run down and providing a spin off benefit to other local businesses such as cafes.

Another company headquartered in Newry is insurance broker Autoline Insurance, which has commercial insurance customers both north and south of the border. Its managing director

Michael Blaney believes there is real potential for Newry to become a financial services centre.

“Newry is fast becoming recognised as a financial services hub with companies that have experience of working both north and south of the border. It is an ideal springboard for us in terms of trading in the Southern market,” he says.

“We’re seeing that there’s definitely potential for growth in financial services and we want to encourage younger people to see it as a good career option, which hasn’t been the perception for many years in terms of insurance broking and financial advice. The problems in the South will probably end up helping us in terms of recruitment.”

To boost its skills base Autoline will in 2011 run a graduate trainee programme with Southern Regional College that will see it take on up to 10 graduates. Recruiting at a time when many other firms are still shedding jobs is in keeping with the ethos that won the company two awards at this year’s Irish News Workplace & Employment Awards, in which it was competing with much larger Belfast-based firms.

Blaney says that increasingly staff are prepared to move from Belfast or Dublin to take up roles in Newry.

“For the last five years we have had people commuting from Belfast to here, recognising that it is an easier trip in the morning and evenings because they are going against the traffic. As our company has grown we’ve been able to offer career opportunities that in some cases haven’t been available in the Greater Belfast area,” he explains.

Certainly, in recent times Government has been supportive of improving the infrastructure around Newry, building a new train station and the dual carriageway bypass, which has shortened the journey to Newry from both Belfast and Dublin.

“The days when Newry was characterised as a frontier town are long gone,” says Conor Patterson. “Perhaps Newry wasn’t in the consciousness of policymakers in Northern Ireland in the past in the way we felt it should be. What we’ve been trying to emphasise recently is the importance of Newry in the overall package of Northern Ireland.”

Still high on the agenda for the local business

community is improving transport links with Warrenpoint Harbour. The port is projecting growth to around 700 lorries a day and at present much of that traffic has to go through the centre of Newry – already a pinch point for traffic. That has led to calls for a Southern Relief Road to provide a link between the main junction south of Newry and Warrenpoint, which would allow port traffic to bypass the City and also provide better links to the fishing port of Kilkeel.

Dr Patterson notes that three major planning applications are currently with the Environment Minister from British-based retail interests that want to get into Newry and he believes private sector firms can play a part in funding such projects at a time when Stormont is having to cut capital spend.

“For us it is all about infrastructure. The Greater Newry Vision is a simple vision about unlocking the bottleneck in Newry,” he says.

“We are not just giving government a list of items but also solutions. Whatever the ultimate allocation will be on capital investment in the next four years, we are saying invest some of that in Newry with the private sector investors. We see locally led public private partnerships as part of the solution.”

If the project comes to fruition it will increase access to a region that is clearly already on the up.



Conor Patterson

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