

New York New Belfast

Remarks by Declan Kelly, U.S. Economic Envoy to Northern Ireland

Third Annual Index 30 Lunch

Ritz-Carlton NY, Battery Park

Thank you Máirtín for inviting me to speak.

Thank you Ray for the gracious introduction.

Let me also acknowledge others here today:

- Speaker Christine Quinn
- Rob Walsh, New York City Commissioner of Small Business Services
- Niall Gibbons, CEO of Tourism Ireland
- Len O'Hagan, Chair of Belfast Harbour
- Shaun Kelly, Vice-Chair Tax of KPMG; and
- Geraldine Hughes – good to see you all.

It is a pleasure to be here at the Third Annual Index 30 Luncheon. It is not often that one gets to be in the same room with so many successful companies – you are high on the endangered species list these days.

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I commend you for making the list – many of you are operating in Northern Ireland and already know about the benefits of the New York and Belfast connection – those of you not operating in NI, we have you cornered and will sign you up before you leave the room today.

It is very nice to be among so many friends. I have had the pleasure of getting to know many of you over the last few months.

I am very pleased to share the stage with Shaun Kelly. Shaun is an incredible Ambassador for Northern Ireland and has been a great supporter of my mission – which is of course to increase trade and investment between the United States and Northern Ireland, and of course New York and Belfast.

I've been thinking about the name of this conference. There is in fact a Belfast, New York about 335 miles northwest of here – complete with a Belfast Central School, Belfast Fire Department, and Belfast United Methodist Church. Had the settlers aimed a bit further south...who knows what may have happened... In fact, rather than be called New Amsterdam or New York, we could today literally be standing in New Belfast...

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In any case, no matter when you arrived, or where you come from in Northern Ireland, or Ireland, New York has very close ties to the area and the historic ties between New York and Belfast have been and remain incredibly strong.

New York and Belfast are the economic engines leading their regions and there is great cross-Atlantic collaboration between the two cities. Both cities are harbor cities, with great commercial ports. And let's not forget the Titanic link. The ship was meant to arrive at New York harbor...

Following the industrial revolution, around the turn of the 20th Century, both New York and Belfast were centers for inward migration. Belfast was briefly the largest city on the island of Ireland.

Today, Belfast remains a center for industry, as well as arts, higher education, and business, leading what I believe is one of the best regions in the world for business.

Since my appointment I have obviously been to Belfast on numerous occasions, and I am hugely optimistic about its future.

I have brought or accompanied a considerable number of business executives from the United States to Belfast since being appointed as Envoy last September, and when they see the city first-hand, they are amazed by what they find and hugely impressed by what they see.

Overall, there is a great optimism about the direction that Belfast, and indeed all of Northern Ireland, is taking. And while we all recognize that there is still work to be done, there is huge potential at a time when differentiation of major capital cities around all of Europe is going to become a key determinant of those who win and those who just get left behind.

Yes, there are still some challenges and some areas of the city are in need of development. When I visit Belfast, I try to get to all the different neighborhoods and see how my office can help make a difference in the urban regeneration process. Just a few weeks ago I visited Sandy Row and West Belfast.

What struck me is that people's concerns are more or less the same. What I was asked during my visit was: How will we get good jobs? And how can we provide a good education for our young people so they can have a better life?

This is probably no different from the questions one might get in any neighborhood in NYC today.

I will remind everyone in this room to think about New York and the changes that have taken place over the last few decades. Not many years ago, who could have imagined that Times Square would become the family-friendly attraction it is today?

Belfast is no different. It will take time to develop some of the hard to reach communities and make all of Belfast a thriving city.

From an economic point of view, we are trying to recover from a global economic crisis of epic proportions. There are those who believe that we may yet see a double dip recession, so we are by no means out of the woods.

There may in fact be very hard times ahead. Northern Ireland, like all regions of the world, will have its own share of difficulties, and tough choices.

It is more important than ever to ensure that investment in companies and job creation remain a top priority. The decision must be to invest in those

companies committing to long-term job creation. It is exactly during difficult times and times of weakness that we must stay the course.

As I have said many times before, I really do believe that in times of crisis, there are opportunities. The opportunities are available to cities and regions with solid strategic development plans. The Northern Ireland government got it right and put together a strategy that is bringing high value jobs to the region – now is the time to continue on that road and not waver.

Northern Ireland has managed to attract investors despite the economic situation of the last few years. In fact, in the last nine months well over 1,000 new jobs have been created in Northern Ireland, many of them in Belfast, and many of them from U.S. companies.

Just a few weeks ago, GE Energy – one of the world's most admired business brands – expanded its operations by adding over 100 jobs in advanced manufacturing and research and development. GE can go anywhere in the world, and yet they chose Northern Ireland.

Here is what Bob Gilligan, Vice President GE Energy, had to say about their recent investment:

"...We at GE recognised the inventiveness and innovation embedded in our Northern Ireland operation...Through this investment, we are laying the foundations which will allow us to build further on the capability of our Northern Ireland team and to make a significant contribution to our overall global business success. I repeat: ...TO MAKE A SIGNIFICANT CONTRIBUTION TO OUR OVERALL GLOBAL BUSINESS SUCCESS... We look forward to developing further our relationship with Northern Ireland's research and supply chain base."

...and that in a nutshell tells you about the Northern Ireland of today.

Multinational companies looking to have an edge and remain competitive, must look for the best locations in order to grow. Northern Ireland clearly offers a compelling proposition.

Yes – there are problems and yes – there will continue to be problems probably for some time to come – but there are far more reasons to be positive about Belfast and all of Northern Ireland today than ever before.

I won't spend too much time talking about the dissident activity, but cannot ignore it altogether. Violence will not stop the people of Northern Ireland achieving their goals and ambitions of a better future for their children and future generations.

However, whether in London, Madrid, or New York City, violent attacks can happen. No need to remind everyone in this room, here in New York, of the recent attempted bombing in Times Square, or of the terrible events that hit this very neighborhood nearly 10 years ago.

But business goes on both in New York and Belfast. And all of us working together will prevail against those who would wish us to fail.

Let me tell you about Northern Ireland and Belfast today:

Northern Ireland has the youngest population in Europe, one of the lowest cost operating environments, the lowest employment turnover, the most competitive wage environment, the best broadband network, two world class universities, and much, much more...and Belfast is at the core of that story. It is a city brimming with talent, creativity, and energy.

- The city of Belfast has a population of 270,000.
- The greater Belfast Urban area has a population close to 500,000.
- Belfast is the 100th - largest urban zone in Europe.
- But more importantly, the city has one of the youngest populations in Europe - a fifth of the population is less than 16 years old. Think about that as a potential engine room for future growth and development if harnessed in the right way.
- The working age population accounts for over 60% of the city's total population. Again, this is a distinct advantage over many other cities of comparable size throughout Europe.
- Belfast has excellent road, rail and sea links to Ireland, the UK, Europe and beyond.

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- It has two modern airports within 20 minutes of the city centre with regular flights throughout the day to London, Manchester, Edinburgh, Paris, Berlin and many other locations throughout Europe.
- There is a direct daily flight between New York and Belfast.
- Northern Ireland is the most successful UK region at attracting Foreign Direct Investment on a per capita.
- Half of all foreign-owned businesses have selected Belfast to headquarter their operations.
- Belfast attracts the largest number of software development projects in the United Kingdom outside of London.
- Labor costs are 15% lower than the UK average while labor turnover is less than 8%.
- Tourism continues to be a vital sector for the city as Belfast attracts over 7 million visitors annually if you combine staying visits, day visits, and cruise passengers.

THIS is a vibrant city, with a strong culture and a growing economy. The regeneration of the City has turned it into one of the leading cities in Europe.

Some of the incredible development projects include:

- **Victoria Square Mall** - opened in the spring of 2008 - the £400 million flagship shopping complex is one of the largest construction projects on the island. The center covers 800,000 square feet and has attracted leading international brand names to Northern Ireland.
- **Titanic Quarter** will be Europe's largest waterfront development. The 185-acre site and £5bn development and has the potential to create 25,000 new jobs over the next 15 years.
- In Titanic Quarter there is also the **Northern Ireland Science Park** and NISP CONNECT program which is working to provide mentorship and advisory services to start-up technology firms.

I have talked a lot about the business aspect of Belfast and Northern Ireland, but there is also another aspect that needs to be highlighted: the quality of life.

- The newly renovated **Ulster Museum**, opened last October after a three year, £17 million redevelopment program, has received 250,000 visitors in its first four months, and is nominated for the National Art Fund Prize.
- The **Grand Opera House** underwent a major renovation and reopened in 2006. It provides world-class entertainment year-round.

- There are great restaurants and you are close to some spectacular countryside.
- Belfast also has close access to Dublin.

This is the New Belfast. Everyone who sees it first-hand is amazed and comes back wanting to be a part of this exciting place.

Since my appointment I have worked closely with the members of my Working Groups, Invest NI, and Minister Foster to support the strategic economic mission of Northern Ireland.

The Northern Ireland Government and Invest NI, its economic development agency, have worked very hard to develop a long-term strategy that has prepared Belfast and Northern Ireland for the future.

This includes planning and providing infrastructure for the mega trend industries of the future: healthcare, technology, financial services, creative media, and energy.

There are many areas of activity where I see opportunities for New York and Belfast to work together, including Healthcare, Creative Media and Financial Services.

Connected Health and Personalized Medicine are top areas of growth for Northern Ireland. Northern Ireland is already ahead of the curve in connected health, with its **European Connected Health Center (ECHC)**. The European Connected Health Center, in Belfast, is a leader in its field.

Belfast and Northern Ireland are also at the forefront of **Personalized Medicine**. The work being done by Almac, Queen's University and Invest NI to create an "oncology hub" that will help speed up the discovery of new cancer treatments is world-class.

The future of medicine is going to be all about **personalized medicine** - of that there is little doubt. Those who develop economic hubs that respond to that emerging opportunity stand a great chance of profiting greatly.

This is all possible in Northern Ireland because of its sophisticated technology industry and forward-thinking connectivity.

This brings me to Creative Media. I mentioned connectivity in relation to the connected health campus, but it is actually the level of high capacity broadband that makes Northern Ireland one of the most connected hubs in the world.

Project Kelvin, launched in March, 2010, is a €30 million (\$ 43 million) fiber optic telecommunications investment project connecting towns and cities across Northern Ireland to the United States, Ireland, Canada, UK and continental Europe.

Kelvin provides Northern Ireland with high speed, secure, reliable and competitively priced connectivity locally, regionally and internationally.

As a result, New York can connect faster to Northern Ireland than to California, making Northern Ireland it ideally suited for any projects that require advanced connectivity and band-width, including creative services and the film industry.

Belfast is in fact home to over 1,000 creative businesses, principally in film and television, digital media and design sectors.

The Paint Hall has been transformed into a world-class film studio where HBO, Universal Studios and other media companies now produce major film projects.

Last month, at the Tribeca Film Festival, and in collaboration with Robert De Niro, we brought 150 directors showing at the Festival to a special Northern Ireland-dedicated lunch event to let them hear about all the exciting things that are going on in creative media in NI.

We are continuing dialog with them to see if there are ways to extend that partnership in the months and years ahead.

The third area, also very relevant to New York, is Financial Services. Financial services is a long-standing and established industry in Belfast, and Northern Ireland, and will continue to be a very important sector for Northern Ireland's future growth.

The region has already attracted many prominent U.S. and international companies, many of them based here in New York.

The Northern Ireland workforce has a proven track-record in retail and commercial banking, insurance, fund administration, legal and compliance; software development, infrastructure, management and back office operations. There are over 23,000 people working in Financial Services and related industries in Northern Ireland.

From a cost prospective, operating costs are highly competitive with the rest of Europe and 40 percent below London.

Invest Northern Ireland plays a key role in supporting foreign companies looking to expand into Northern Ireland and is actively engaged in discussions with numerous U.S. corporations around the country.

NYSE Euronext, Citigroup and Allstate, all provide excellent examples of the opportunities that exist for financial services companies to benefit from investment in Northern Ireland.

I think it is important to note that in all three industry sectors I mentioned, the expertise in technology is one of the primary reasons Northern Ireland continues to win new investments.

Why am I here telling you all this? It is very simple. When I was appointed by Secretary of State Hillary Clinton to this role, it was to help support a lasting peace in Northern Ireland by focusing on the economy and on inward investment. We believe that peace and prosperity go hand in hand.

By creating opportunities for the people of Sandy Row and West Belfast, and Derry/Londonderry and Newry, and all across Northern Ireland, I believe we can achieve a lasting peace.

I have spent the last months creating awareness at events like this one, working with Invest NI, Minister Foster, and in the US and Northern Ireland to create opportunities.

The good news, is that Minister Foster and the team at Invest NI have a winning strategy and they are making the right inroads in the right places with the right people.

We are working hard to support them through our office and also the 40 member-strong working groups that we have set up on both sides of the Atlantic.

I can tell you that since we undertook our week-long visit to the U.S. with FM Robinson, dFM McGuinness, and Minister Foster during St Patrick's Week we have seen a considerable uptick in the amount of interest that is being shown by large companies in making visits to Northern Ireland to potentially invest here.

I can also tell you that when we increase the number of companies who are getting to hear about the unique characteristics of the region compared to other locations, the strengths Northern Ireland has are starting to really make people pay attention given the realities of today's global economy.

More important than anything else is the fact that we are all collectively focusing our energy in the right places and in the sectors that I, and Invest NI, both believe will drive the economies of the future – connected health, emerging technologies, business services, IT and financial technologies. And all this is good news for the Belfast, New York link.

Before I sign off, I do want to mention one program that I believe will contribute to the New York, New Belfast of the future.

Next week, in Belfast, I will officially launch the U.S. - NI Mentorship Program, an initiative that my office conceived, in partnership with the American Ireland Fund and Northern Ireland Science Park CONNECT, that we hope will have a lasting impact on the future economic development of Belfast and Northern Ireland.

The program will give young graduates and professionals the chance to come to the U.S. and work for a US corporation for one year, then return to Northern Ireland with additional skills and experience necessary to start businesses and become business leaders.

The program, chaired in the U.S. by UBS CEO Bob McCann and in Belfast by IoD President Joanne Stuart, is already generating an incredible response from U.S. corporations and candidates in Northern Ireland. Many of the matches will in fact be between companies operating in New York and candidates from Belfast. Some of the companies agreeing to participate include: Coca Cola, GE

Energy , BNY Mellon, Mutual of America, Moet-Hennessy, Sandler 'Neill and Partners, and Cowen and Partners.

We invite you to participate in this exciting project which will hopefully create the New York, New Belfast leaders of tomorrow. Based on the incredible young people we are seeing applying for the program, there is no doubt in mind that the future of Belfast is bright.

So, I believe that if NI takes advantage of this current opportunity, and keeps investing in its future, it has the opportunity to become one of the world's fastest growing economies in the next 5-10 years, on a per capita basis.

Belfast's opportunity is to be the engine behind this growth.

This is the time for Belfast to continue on its path, maintain the incredible momentum, and once again claim its place as one of the great modern global cities and commercial hubs. Let's all make sure we don't look back years from now and wonder why we didn't make it happen.

Thank you.