

2017 highlighted the extent to which Northern Ireland has a high dependency on a small number of large firms. This can be seen in the latest Northern Ireland Economic Composite Index. It showed a fall in the index in Q3 2017, driven by a huge drop in the food beverages and tobacco sector. This dragged Northern Ireland manufacturing output down, falling at its fastest rate since the global recession. This was almost entirely down to the closure of the JTI tobacco factory in Ballymena. Take it out of the equation and it would have been a very different story.

This year, we are also going to see the closure of the Michelin factory in Ballymena, which will hit the manufacturing figures hard again in 2018. And then we have the closure of Schlumberger to come. Changes in things like regulations and costs can lead these foreign-owned companies to make swift decisions to move their operations to other locations around the globe.



Given this context, it is perhaps understandable why there has been so much concern around the challenges facing Bombardier in regard to the US market and why there was so much relief at the decision on Friday by the US International Trade Commission (ITC) to strike down 300 per tariffs on Bombardier's C-series aircraft in the US market. Bombardier is Northern Ireland's biggest manufacturing employer, our largest exporter and a key

contributor to economic output. And the production of wings for the C-series is a key part of Bombardier's Belfast operations. You cannot overstate the importance of Bombardier to the Northern Ireland economy. If our key businesses were football players, Bombardier would certainly be the first name on the team sheet; it could be seen as our star player.

Bombardier employs around 4,000 people and supports a much wider supply chain and a buoyant Northern Ireland aerospace sector, with around 10,000 employees in more than 70 companies.

Indeed, Bombardier has been the primary driver behind the creation and growth of the local aerospace sector. Northern Ireland firms supply into Airbus, Boeing, BAE Systems and others. 30 percent of the world's airline seats are made in Northern Ireland. Northern Ireland has Europe's eighth largest aerospace industry in revenue terms. Bombardier is the key player.

Like JTI (regulation) and Michelin (cost), Bombardier has found itself with significant challenges to the environment in which it operates. For the last year we have heard much about Donald Trump's 'Make America Great Again' and 'America first' approach. The Boeing Vs Bombardier dispute was the first tangible example of this and Belfast found itself on the frontline of Trump's 'America first' policy.

The general principle is that if America comes first, someone has to come second. The trade dispute between Bombardier and Boeing appears to have come to a successful conclusion for the Canadian company and its Belfast operations. But overall, we do appear to be moving from an era of globalisation, based on free trade, to one of protectionism. Last week, we saw Donald Trump put steep tariffs on washing machines and solar panels. Whilst on this side of the Atlantic, we're still trying to work out what 'Brexit means Brexit' actually means, it's crystal clear in the US that Trump means tariffs, and other companies may find

themselves in the position Bombardier has been in for the past number of months.

But whilst Northern Ireland currently finds itself detrimentally impacted by the mobile nature of global trade when it comes to attempts by the US to impose tariffs on companies who operate here and also decisions by companies like JTI and Michelin, we should also remember that we are benefiting significantly in other areas from global trade. For example, due to some global companies making positive decisions about Northern Ireland, Belfast now has the highest concentration of cyber security jobs in Europe. We also have indigenous companies like First Derivatives, Almac and MJM Group expanding considerably and creating jobs due to business from other parts of the world. Indeed, we also have other companies in the aerospace sector currently doing very well from global trade. Firms like Mallaghan Engineering and Moyola Precision Engineering are winning business with some of the biggest airlines and aerospace companies in the world and continue to do well. This highlights that the local aerospace sector itself is resilient and much more than just a one-firm industry.

But whilst there is certainly an ebb and flow to global trade that has always been there and there will continue to be positives and negatives for Northern Ireland from this, we cannot get away from the fact that we are moving into a new era of less frictionless trade and more protectionism. This makes the overall global context for Northern Ireland firms more difficult than ever, whether that is looking to the US market or Europe. The ITC decision in favour of Bombardier is a big positive for Northern Ireland, but it's definitely not the last we'll hear about Trump's protectionist approach.

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