

Secretary of State speech to the British Irish Association Conference

I would like to first and foremost open by thanking the British Irish Association for bringing us all together in these beautiful surroundings.

The BIA continues to play a key role in promoting good relations and a forum for discussion and debate for all of us from across the UK and with our friends and neighbours in Ireland.

These relationships were central to the delivery of peace and stability offered by the Belfast (Good Friday) Agreement and remain just as key, as we work to build back better and unlock the many opportunities that lie ahead for Northern Ireland.

The past year has been unlike any other but as we are slowly emerging from the worst public health crisis in over a century, our recovery from it is not going to be quick or easy.

That said, I am delighted to have the opportunity to join you today at a moment of great opportunity for Northern Ireland. In its centenary year, I believe we have a chance to reimagine Northern Ireland's position in the world as a global centre of creativity, ingenuity and prosperity over the next hundred years and more. To do this we will: equip our young people with the skills for a changing economy; invest in research and development to take advantage of new opportunities; and seek new markets for international trade to showcase Northern Irish goods and services to the world. It will take enormous effort and partnership over the next few years.

As we move beyond Covid-19 restrictions, I want to see Northern Ireland go from strength to strength in terms of its society, its economic dynamism and its vital contribution as an integral part of the UK. The pandemic has demonstrated to us the power of community, our Union, and our collective endeavour, and with these tools we can conquer any challenge.

Northern Ireland has huge potential and this Government will play its part in helping to realise that potential.

Maintaining peace and improving security will be the bedrock of realising Northern Ireland's full potential. Huge strides that have been made in building a more peaceful society since the signing of the Belfast (Good Friday) Agreement. Indeed, Northern Ireland is unrecognisable to the place that it was during the Troubles.

Thanks to the persistent efforts of all from across Northern Ireland the threat of violence is nothing like it was before the Belfast (Good Friday) Agreement. However, it remains true that, despite this significant progress, there remains a small number of individuals who wish to cause harm to local communities. Their actions are not reflective of the Northern Ireland that I

have come to know.

The concerted joint efforts of criminal justice and security partners to disrupt terrorist, paramilitary and criminal activity are helping to make Northern Ireland safer for all communities. Operations such as ARBACIA, which saw 10 individuals arrested in August 2020 and later charged with a number of serious terrorist offences, together with the robust sentencing of terrorist offenders, contribute to a safer Northern Ireland, reducing the harm caused by terrorism.

However, there is still more to do to secure lasting peace and keep people safe. Violent and criminal groups do nothing but cause significant harm to individuals and communities across Northern Ireland.

That is why the UK Government is supporting wider efforts to tackle the threat of paramilitary gangs in Northern Ireland and the harms caused by organised crime groups, whether this is through financial support – such as the ongoing match funding we provided to the Northern Ireland Executive's Tackling Paramilitarism Programme and have done since 2016 – or the wider support from the National Crime Agency and HMRC to tackle organised crime.

While we have made significant progress on the path to lasting peace and are working to address the legacy of the past, there is much more to do to deliver prosperity in Northern Ireland.

The NI economy has so many of the ingredients required for economic success. Exceptional talent, creativity and innovation.

We are expanding into industries with enormous future growth potential, such as cyber security, where we now have 2,300 cyber professionals working in over 100 companies. And this, together with the fantastic progress in fintech, health and life sciences and advanced manufacturing, is one of the reasons Belfast is ranked in the Top 25 Tech Cities in the world; 2nd in the UK after London.

But Northern Ireland currently punches well below its weight economically. The economy continues to lag behind the rest of the UK on many key indicators and has done for many years.

Despite its many strengths, this faltering productivity has had consequences for business competitiveness, for employees, and for taxpayers too.

Across Northern Ireland we see pockets of unacceptable deprivation where for too long people have struggled to access opportunities to work, upskill and access basic services that most of us take for granted.

The size of the prize if we succeed in addressing this is game-changing.

Northern Ireland's economic output today stands at around £42 billion. If we could close the gap with the rest of the UK within a decade then Northern Ireland would generate £16 billion more, each year, in today's prices. This would amount to around £8,500 per person.

Covid-19 has presented an extraordinary, additional challenge. Northern Ireland's economy has been hard hit, in common with the rest of the UK; both from the virus itself and the knock on impact on business output.

I am proud of the Government's response, which was swift and wide-ranging. We put in place a £352 billion package of UK-wide support to protect jobs and livelihoods, including the furlough scheme, the self-employed income support scheme and government-backed loans.

In Northern Ireland, these support packages have protected one-in-four jobs.

Since the outbreak of the pandemic, we have provided the NI Executive £5bn in additional UK Government funding to ensure it has the necessary resources to address the public health and economic challenges.

We did what it took to give the economy every chance of weathering the storm.

Now is the time to build back better and in Northern Ireland that means it is time to go for growth, to put Northern Ireland on the map economically.

And as we move forward and build back better together, there are a number of UK wide Government initiatives which I believe will be particularly key.

The Community Renewal Fund will see £11m invested in pilot programmes and new approaches that will invest in skills, community and place, local business, net zero initiatives and supporting people into employment.

The Levelling Up Fund will invest in infrastructure that improves everyday life across Northern Ireland, including regenerating town centres and high streets, upgrading local transport, and investing in cultural and heritage assets. This is a multi-year fund that will see roughly £20m coming into NI this financial year.

The Community Ownership Fund will help to ensure that community groups across Northern Ireland can support and continue benefiting from the local facilities, community assets and amenities most important to them.

Our hugely ambitious UK Shared Prosperity Fund will replace EU structural funds and will target the areas and people most in need across Northern Ireland.

All this will come in addition to the extra funding we committed since the Executive was restored in early 2020 targeting public services, communities, places, trade, growth and innovation.

This investment includes the £2 billion New Decade, New Approach financial package; over £600m to the City and Growth Deal programme; £400m in the New Deal for Northern Ireland fund; and over £355m in support for firms in Northern Ireland to adapt to the post EU Exit reality through the Trader Support Service.

As we ramp up economic intervention and investment there are signs already that Northern Ireland is beginning to reap the benefits.

Early estimates suggest that by the end of 2020, Northern Ireland's economy had recovered all of the ground lost during the earlier part of the pandemic.

More promising still, Northern Ireland's productivity now stands at around seven per cent higher than it was at the end of 2019. This is one of the strongest improvements of any region in the UK, though we will need to see this growth sustained over time.

Working in partnership with the Executive and with the business community, we will not only secure this economic recovery, but also lay the foundations for significant economic growth.

This close working will provide for a more resilient and prosperous Northern Ireland – something which I'm sure you will agree is in everyone's best interests. It will contribute to the UK's global competitiveness, as well as boosting trade with the Republic of Ireland, as one of our closest trading partners.

As an obvious first step, we must capitalise on the strengths that Northern Ireland already has.

Since becoming Secretary of State, I have had countless conversations with business leaders and they are ambitious for what can be achieved.

I have already mentioned our growing strengths in cybersecurity, where, along with colleagues in the Executive, I look forward to seeing the number of cyber jobs in NI rise to 5,000 and beyond over the coming years. As we do this I also want to see Northern Ireland build on its globally significant strength in the areas of fintech, life sciences and advanced manufacturing.

30% of the world's aeroplane seats are made in Northern Ireland. It has the oldest whiskey distillery in the world. 1 in 5 of the world's computer hard drives have parts made in Northern Ireland.

Elsewhere, Northern Ireland's tourism and hospitality sectors are doing phenomenal work. But we also have the creative arts – Game of Thrones was filmed here and Netflix have pledged a £150m investment in future screen productions.

Harland and Wolff, the aerospace industry and hydrogen buses and hubs are well positioned to drive the UK's green industrial revolution as we fulfill our ambitious commitments on climate change and the environment.

Two weeks from now, London will play host to the Northern Ireland Business and Innovation Showcase as part of our centenary programme. It will be a major opportunity to bring together leading companies and organisations from across Northern Ireland to promote their products, services, innovations and expertise to an audience of blue chip and international organisations from across the world.

Opportunities like this are practical examples of how we build momentum behind our Government's flagship policy to level up the UK's economy and society; and in that respect I am delighted that Northern Ireland is getting

itself ahead of the game.

Levelling Up is for every part of the UK that needs it.

This Government will publish a landmark Levelling Up White Paper later this year, where we will set out policy interventions that will improve opportunity and boost livelihoods across the country as we recover from the pandemic.

And we have commissioned Sir Peter Hendy to carry out a review of Union Connectivity to look at what could be done to deliver the transport connectivity we need across these islands.

As a Government we are resolute in doing everything we can to enable Northern Ireland to succeed.

There needs to be a focus on innovation first and foremost.

As a Government, we are serious about this. We have committed to increasing UK investment in R&D to 2.4% of GDP by 2027 and to increase public funding for R&D to £22 billion per year by 2024/25.

Through the R&D Roadmap we have been clear that we want to level up R&D right across the UK.

Then, through the 10 Point Plan for a Green Industrial Revolution, we have set out our plan to build back better, support green jobs, and accelerate our path to net zero.

There are exciting opportunities emerging for Northern Ireland to be a leader within the UK on hydrogen energy. The Government's ambitious and detailed Hydrogen Strategy published last month provides the beginning of a road map to realising this.

Connectivity is an issue and connectivity through Covid stood out last year. It is important for the Union but also for all our islands.

Trade, investment and competition is vital to any advanced economy and despite promising results for Northern Ireland in recent years, we are still well off our ambition. We will work with the Executive and Invest NI to continue to promote Northern Ireland across the world and to support those industries with the greatest trading potential.

Levelling up is about addressing the fundamental challenges that hold different parts of the United Kingdom back, and in Northern Ireland that requires more than just innovation and investment – important though those are.

In order to truly level up, we need a more integrated and reconciled Northern Ireland. And I believe greater integration in education is one of the most important pathways to achieve that.

This year marks 40 years since the establishment of Lagan College, Northern

Ireland's first integrated school. We are now seeing the fruits of the £500 million this Government put into integrated and shared education in the Fresh Start deal. Today, more children, from all communities, are being educated together. But there is still so much more to do.

I believe more than 7% of Northern Ireland's students should benefit from an integrated education. I think the Independent Review of Education is a chance to ensure that every young person in Northern Ireland can benefit from a high quality education, with reconciliation at its core.

So in this 40th anniversary year for integrated education, let us redouble our commitment to building a brighter future for young people across Northern Ireland. Because that way we will achieve a more reconciled Northern Ireland, where young people can grow up in a shared society, able to look forward rather than back to a divided past.

We have a clear ambition for Northern Ireland: to make it a better place to live, to work and to invest. Northern Ireland has huge potential, great talent to be tapped into, the ambition to succeed, and the determination never to return to the conflict and division of the past.

The UK Government is deeply invested, and so too am I personally, in helping Northern Ireland reach its full potential.

That is why today I am delighted to announce that the UK is investing more than £730 million to the PEACE PLUS programme. This includes the match funding contribution from the Northern Ireland Executive, and that, together with contributions from the Irish Government and the EU will ensure a total budget of over €1 billion euros (almost £1 billion).

PEACE PLUS is the new programme designed to fund and support peace and prosperity across Northern Ireland and the border counties of Ireland. Building upon the success of previous PEACE programmes which have funded a wide range of targeted initiatives, such as the Peace Bridge over the River Foyle and the regeneration of the Girdwood Barracks site in north Belfast.

PEACE PLUS comes at a critical time and as in previous programmes will significantly contribute and support those initiatives aimed at peace, reconciliation and fostering cohesion across all communities.

PEACE PLUS – the biggest PEACE programme yet – will deliver more than that, however. Peace and prosperity are intrinsically linked, and the programme will be a key driver in funding projects with a targeted focus on economic growth; ranging from supporting SMEs to tackle specific challenges and opportunities, to delivering economic regeneration and transformation in rural communities.

We remain deeply committed to our obligations as set out in the Belfast (Good Friday) Agreement and the institutions it created. This is why we continue to support the work of the Special EU Programmes Body which oversees the PEACE PLUS programme.

This contribution delivers in full on the commitments we have made, and

backed by a majority UK contribution of almost 75% of the total budget, I have no doubt that PEACE PLUS will have the maximum impact for the people of Northern Ireland.

This all sounds very ambitious, because it is.

But rightly so; because our vision for Northern Ireland is one where we fix the foundations for growth and let Northern Ireland unleash its true economic potential.

In doing so we will reach a point where Northern Ireland continues to strive and prosper as an integral part of the Union. Northern Ireland is stronger with the rest of the UK, and the UK as a whole better off for having Northern Ireland in it and reaching its potential.

This is the time to seize all the opportunities available for Northern Ireland. To consolidate the gains we have made in building a more peaceful society. To begin to move out of the shadow of the past. And to create a more prosperous society where everyone has the opportunity to thrive.