



Department for
Business, Energy
& Industrial Strategy

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NORTHERN IRELAND AFFAIRS COMMITTEE BOMBARDIER INQUIRY

Thank you for the opportunity to respond to the question raised by Ian Paisley MP during the Northern Ireland Affairs Committee hearing on Wednesday 10 January 2018.

I committed to write to you in answer in response to the following question:

Is there a way in which you could examine another incentivisation for high-energy business users so that we could continue to attract manufacturing into Northern Ireland?

The Government recognises the importance of maintaining affordable, secure and sustainable supplies of energy for both business and domestic consumers in Northern Ireland. Energy policy is primarily a devolved matter in Northern Ireland and decisions on the design of policies are therefore led by the Northern Ireland Executive.

We set out in our Industrial Strategy our commitment to minimising energy costs for businesses, to ensure our economy remains strong and competitive. Our policies include substantial compensation to eligible energy intensive industries (EII) for the cumulative costs of energy and climate policies to reduce the impact of these policies on EII's electricity bills. EII in Northern Ireland are eligible to apply to the UK compensation schemes for those policies that apply in Northern Ireland. Significant changes are being made to the most valuable of the EII schemes, which provides relief from the costs of the Renewables Obligation, and BEIS is working with the Northern Ireland Department for the Economy on the way forward in Northern Ireland. State Aid guidelines published by the European Commission specify which EII sectors are potentially eligible to receive support. Whilst the eligible sectors do not include the aerospace sector, they do include some sectors that are likely to be suppliers to the aerospace industry.

More broadly, our Industrial Strategy will help boost productivity and earning power throughout the United Kingdom including in Northern Ireland. This is shown through the clear focus on boosting innovation, which for Northern Ireland includes the development of a Tech Nation hub in Belfast, as well as long-term support for R&D to address strategic scientific challenges right across the UK. While many of the broader policies that can drive productivity are devolved, we intend to work closely with a restored Executive in partnership to get the best possible outcome for every part of the UK.

I hope this information is helpful.

RICHARD HARRINGTON MP
Minister for Energy and Industry