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The publication of the second edition of the Northern Ireland Economic Bulletin brings together a range of research findings and commentary on economic issues facing Northern Ireland. As Northern Ireland continues to change in response to the challenges of global competition it is vital we make well informed decisions about our future and I welcome this contribution to the evidence base for economic decision making.

This is a time of tremendous opportunity for Northern Ireland. The labour market is currently benefiting from historically high levels of employment and continuing low unemployment. The economy has experienced healthy growth levels over the last decade, though it is clear that the Northern Ireland economy has significantly more potential to deliver than that achieved to date.

In my new role as Minister for Enterprise, Trade and Investment I will seek to ensure that Northern Ireland has the innovation, enterprise, skills and infrastructure to become one of the most competitive and productive UK and international regions. Key to economic success is to develop and grow the private sector to make it the engine of economic growth.

It is therefore encouraging to see increased innovation and a greater culture of entrepreneurship within the economy. Innovation activity by Northern Ireland firms increased by over a third in the period 1998-2000 to 2002-2004, slightly ahead of the UK average. Over half of Northern Ireland's firms now see innovation as business critical and just over a third of those with co-operation arrangements were collaborating with universities or other higher education institutes.

There are however significant challenges still facing economic policy makers in terms of overcoming the persistent productivity gap and the over reliance on the public sector. As outlined in the Economic Vision we must not only seek to encourage higher levels of economic activity by growing private sector employment but ensure that such jobs are as productive as possible. The development of a more vibrant business services sector and the ability to sell such services outside Northern Ireland will be key to progress in this respect. Taking full advantage of the benefits of 100% broadband availability, a significant achievement for Northern Ireland, will allow businesses to reap the productivity rewards that e-commerce offers.

Improving our competitive advantage is critical. For example, the Strategic Energy Framework for Northern Ireland is making real progress on a number of fronts to create a more sustainable and competitive energy industry. The publication of this Framework recognises the inter-dependency of modern economic life and the fact that we live in a world where no country or region can stand-alone when it comes to meeting its energy needs.

The challenge facing NI is to develop and formulate policies to support and encourage business competitiveness, both locally and globally, and to do it better than other regions. The central message that runs throughout the Bulletin is that growth matters. It matters because it gives us economic, social and environmental opportunities that we need in order to maintain and raise our living standards into the future.

The Bulletin seeks to synthesise and crystallise recent research and thinking on key economic issues for Northern Ireland. The articles have been developed as a result of much debate and discussion and are based on available evidence, related literature and practical experience. Evidence based economic decision making is critical to the way forward and I hope that you will find this Bulletin stimulating and above all useful.