

we have four key drivers that provide a structure for our decision making:

innovation, enterprise, skills and **infrastructure**





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and Investment

I am pleased to present the first edition of the Northern Ireland Economic Bulletin. This has been produced by the Department of Enterprise, Trade and Investment and includes a range of interesting and informative articles spanning key aspects of the local economy which have been structured around the four drivers of economic growth (enterprise, innovation, skills and infrastructure). Earlier this month when I launched the new DETI Corporate Plan, I did so with the determination that the Department delivers on the commitments made in this document and actively addresses the economic challenges NI faces over the next three years. To achieve this, it is vital that we have a full understanding of all aspects of the local economy - its strengths and weaknesses and also, very importantly, its potential. In bringing together, for the first time, a wide range of analysis of the economy, this Bulletin will make a significant contribution to informing the debate and thereby help with quality, focussed decision making.

It is clear that we need the right mix of entrepreneurship, innovation and skills along with a world class infrastructure to deliver the virtuous cycle of high rates of growth, increased competitiveness and economic participation needed for accelerated wealth creation. As a

number of articles in the Bulletin point out, developing those sectors with the greatest potential for wealth creation and reducing the productivity gap with the UK and the rest of the world are key to our success. Recent investment in the high value added manufacturing sector shows how we can build on our existing strengths, though there is still much work to be done in improving investment in research and development across industry. While the Business Services sector is a fast growing area in Northern Ireland, it is still a significantly underdeveloped part of our economy. Growing our potential to sell such services outside Northern Ireland will be a key determinant of success and this is an important sector for future growth.

It is important that Government plays its full part in developing the conditions for a fast growing competitive economy and developments in telecoms infrastructure, strategic investment and the tourism sector will further encourage growth. Those in the business community, local entrepreneurs, investors both here and abroad and participants in the wider social economy are central to wealth creation. It is intended that the Bulletin will contribute to informed economic decision making on as wide a basis as possible.

Editorial

Information is the currency of economic debate and the DETI Economic Bulletin sets out to bring together analysis and commentary from a range of sources inside and outside government to a wider audience. It will provide an annual companion to the Department's recently introduced Quarterly Economic Review (www.detini.gov.uk) and will give a more detailed and integrated picture of Northern Ireland's economic performance than is typically possible in official statistical publications. These tend to place the emphasis on getting key information into the public domain as soon as it is available and the Bulletin will provide greater value added analysis of existing data. It is also intended that the Bulletin will help bring results of research commissioned by the Department to a wider audience. The Bulletin seeks to be as inclusive as possible, though we are conscious that inevitably we have not been able to cover some key areas such as the social economy, and the activities of key organizations such as the Economic Development Forum and InvestNI in sufficient detail in this issue. These are subjects to which we intend to return.

In a volume of this size, a short guide to the structure of the bulletin may also be of some value. The economic overview in the first section reflects the continuing positive indicators of recent economic performance while highlighting the widely recognized structural deficits in terms of the underdeveloped nature of the business services sector and the dominant position of public services. The Department's recently introduced quarterly Index of Services highlights the fact that unlike previous years the growth rate of the private services sector in 2004 has fallen behind that of the UK, though there is evidence to show this is beginning to converge. Future projections of economic performance conducted

by Regional Economic Forecasts also highlight the importance of growing the private services sector to narrow the gap between NI and UK productivity rates.

Other articles in the Bulletin are grouped according to the key economic drivers outlined in the Economic Vision for Northern Ireland reflecting the key themes of enterprise, innovation, skills and infrastructure, plus competition. The Economic Research Institute of NI reflects the need to ensure the cost of doing business is minimised and what competitiveness means in a regional context. The Regional Innovation Strategy outlines the response to the recent decrease in NI businesses' expenditure on Research and Development in articles 12 and 13. The challenge in developing Northern Ireland's entrepreneurship levels is also addressed in article 14 on the Global Entrepreneurship Monitor (2004).

An overview of the Investment Strategy for Northern Ireland that will commit some £16 billion in infrastructure projects over the next 10 years is provided in article 20. The work of liberalising the energy market in Northern Ireland and progress to date in achieving 100% access to broadband are also key aspects of infrastructure development (articles 21 and 22). Tourism is a vital area for growth and the Tourist Board describes signature projects such as the Giant's Causeway and the more immediate target of increasing out of state visitor tourism revenue by 8.5%. The Bulletin also considers the threats and opportunities posed by globalisation (articles 4,10,11) and publishes projections of the likely performance of the economy given recent trends (article 2).

The Bulletin will contribute to informing economic debate and decision making and complement

DEL's existing Labour Market Bulletin. We would like to take this opportunity to thank all the contributing authors for preparing interesting and thought provoking articles and bringing their own personal perspective to bear on the debate. Finally, we would also be interested in the views of the readers of the Bulletin. If you have any comments please send them to statistics@detini.gov.uk where they will be considered and where possible reflected in the preparations for the second edition.

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