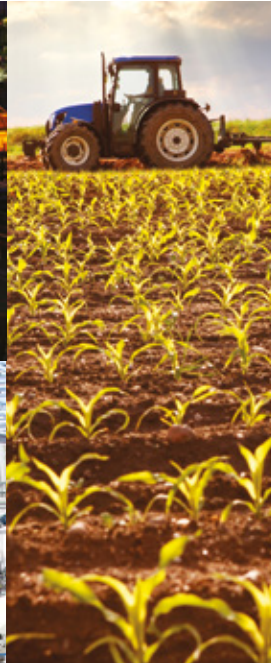




Department for the
Economy
www.economy-ni.gov.uk



ECONOMY 2030

A consultation on an
Industrial Strategy
for Northern Ireland

ECONOMY
2030

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MINISTERIAL FOREWORD

I am pleased to present Economy 2030, the Department for the Economy's proposals for a new Industrial Strategy. It is my ambitious, long term vision to transform Northern Ireland into a globally competitive economy that works for everyone.

Since our previous Strategy was launched in 2012, Northern Ireland has emerged from the deepest downturn in living memory and begun the process of rebalancing our economy. Unemployment has fallen, economic inactivity is down, exports are growing, tourism visitor numbers and spending are on the increase and innovation expenditure is rising. But we should not simply settle for better than it was. It is a truly transformed economy that we must set our sights upon.

An economy where more of our companies have an international outlook exporting their goods, products and services outside of our region.

An economy where an increasing number of businesses realise their high growth potential and scale up from small to medium sized companies employing more people in the process.

An economy where entrepreneurship and enterprise are endemic and reflected in our growing status as a start-up region.

An economy where innovation is embedded in the DNA of every company and across the public sector.

An economy where government is business's biggest backer, putting in place financial, infrastructural and policy support to ensure our economy thrives.



An economy where we build industries on the back of where we are genuinely world class in academic research.

An economy where our people possess knowledge and the skills they need to improve their lives and drive economic growth.

An economy where we better equip our children with a solid educational foundation of core skills from early years to post-primary education.

And – above all – an economy that grows inclusively.

We may be a small region, but I have global ambitions for our economy. This proposed new Industrial Strategy sets out our plan to turn Northern Ireland into one of the world's most innovative and competitive small advanced economies. We will build a globally competitive economy on the pillars of innovation, enhanced skills and employability, an international outlook and the best economic infrastructure we can build. We will prioritise and support the sectors of our economy that are already world class and those where we can become world class. And we will strive, at all times, to ensure that everyone, everywhere in Northern Ireland feels the benefits of an improving economy with more jobs and rising incomes.

The road to economic transformation is a long, difficult one. While we have taken the important first steps, the next stages will be tough. But I believe in the people of Northern Ireland, the ability of our businesses to innovate and reinvent themselves and our collective capacity to overcome challenge.

I am proud of Northern Ireland's industrial heritage. But I firmly believe that our best is not behind us. I am inspired by what our businesses, big and small, indigenous and inward investor and in all sectors, are doing every single day. The potential of Northern Ireland to become an economic powerhouse again is palpable. Economy 2030 sets out our proposals to build on that success and turn that promise into product. Please join us on our journey to transform Northern Ireland into the globally competitive economy we know that it can be.

A handwritten signature in blue ink that reads "Simon".

Simon Hamilton MLA
Minister for the Economy
January 2017

OUR VISION

**A globally competitive economy
that works for everyone**

1.1 Northern Ireland needs a long term vision that points towards a transformation of our economy. This vision must establish purpose and direction, and help to prioritise effort. It should provide a focus around which all our partners in delivering this Industrial Strategy can coalesce. Our aim is to seize the opportunity of a new draft Programme for Government to set a long term vision for Northern Ireland's economy that combines ambition and inclusivity. We will set our sights on competing on the world stage. And we will ensure that all parts of our society can benefit from economic growth, whilst retaining the characteristics that make Northern Ireland a great place to live. We propose the following vision:

“To be a globally competitive economy that works for everyone”

1.2 We believe this vision embraces the twin themes of competitiveness and wellbeing, whilst establishing the high level ambition to which we aspire. It aligns with the overall purpose established by the Northern Ireland Executive for its draft Programme for Government. Simply delivering better performance on economic indicators which do not bear any relevance to

the daily lives of our citizens does not represent success. Our call for evidence highlighted the need to ensure that growth is inclusive and that the Industrial Strategy is for everyone. We need to transform our economic competitiveness, grow the private sector and increase our wealth, but this must be achieved in a manner which benefits all our people.

“A globally competitive economy...”

1.3 Turning Northern Ireland into a leading, internationally competitive economy is essential if we are to deliver the economic outcomes that we want for our people such as increased employment and rising incomes. Competitiveness will drive export-led growth and for a small economy like Northern Ireland we need to sell beyond our shores to generate wealth. Many other economies are larger, have greater resources and possess more powers than we do. However, we can succeed if we can unleash the creativity and talents of our people and businesses. We cannot be insular. We need to look across the globe to those economies that lead the field in key areas that drive competitiveness. The Economic Advisory Group has published a comprehensive Competitiveness Scorecard (2016)¹

1 <http://eagni.com/wp-content/uploads/2016/08/UUEPC-Northern-Ireland-Competitiveness-Report-2016.pdf>



setting out where Northern Ireland sits in an international context on key indicators. We perform well on quality of life indicators and business performance, with an excellent record on foreign direct investment job creation. While our skills and employment levels have been improving, other countries are moving ahead even faster.

- 1.4 A key long-term indicator of our competitive position is, and will continue to be, productivity. Productivity measures how efficient we are at producing economic outputs. Our relative position on this measure has been the subject of detailed recent research by, for instance, the Nevin Institute², the CBI³ and the Ulster University Economic Policy Centre⁴. These studies illustrate that key sectors such as manufacturing and retail perform well when compared with United Kingdom productivity levels. However, overall we are below the United Kingdom average which itself is not an international pace setter. It is not enough for us simply to do better than we have in the past. It is the pace of our improvements in an

international setting across productivity and broader competitive measures on which we must focus. In developing our proposals for this Industrial Strategy, we are benchmarking ourselves against the world's leading, small advanced economies to learn from their success. We explore this further in Chapter 2.

...that works for everyone”

- 1.5 There is growing evidence of the importance of ensuring that economic growth, if it is to be sustainable, must be allied with an approach that is fair and inclusive across all sections of society. The Legatum Prosperity Index⁵ highlights that success is about more than narrow measures of wealth such as Gross Domestic Product (GDP). The Prosperity Index goes beyond GDP to measure countries' success against a broad set of metrics covering areas such as health, education, opportunity, social capital and personal freedom. The latest report demonstrates that countries such as Norway, Switzerland, New Zealand and Sweden have achieved real prosperity which provides opportunities for all their citizens, something to which we must aspire.

2 www.nerinstitute.net/research/productivity-and-the-northern-ireland-economy/

3 www.cbi.org.uk/insight-and-analysis/unlocking-regional-growth/

4 www.ulster.ac.uk/_data/assets/pdf_file/0008/118385/Understanding_productivity_in_Northern_Ireland_27_September_2016.pdf

5 Legatum Institute (2016), *The Legatum Prosperity Index Rankings 2015*

Many of these countries also rank as the happiest on earth according to the World Happiness Report⁶, demonstrating how inclusive growth can improve the everyday lives of those who struggle to get by.

- 1.6 Becoming the globally competitive economy to which we aspire should not mean sacrificing what makes Northern Ireland special. The Personal Wellbeing Survey⁷ measures life satisfaction, happiness, anxiety and how worthwhile people feel their lives are across different parts of the United Kingdom. This work shows that our citizens have a satisfaction with life that surpasses that of their counterparts in England, Scotland and Wales. We may look enviously at the economic performance of London and the South East, but these regions look at us with the same envy on personal wellbeing. We must protect and preserve what positively sets us apart with the same effort and enthusiasm that we invest into bringing more and better jobs to Northern Ireland and increasing our competitiveness.
- 1.7 Too many of our people still face limited economic prospects and suffer from economic and social disadvantage, as evidenced, for example, by our

historically high levels of economic inactivity. We are determined to ensure that, in implementing our Industrial Strategy, all our people and all regions in Northern Ireland will have the opportunity to fulfil their potential. Manufacturing and service businesses alike have an ongoing demand for skills. Assisting people everywhere to access the labour market through the provision of effective employment and skills support, and securing balanced regional growth, will help address poverty and social exclusion wherever it exists and improve people's life chances. We also recognise the interdependencies between this Industrial Strategy and the Executive's commitments in the new draft Programme for Government to address health and education inequalities, environmental sustainability and diversity.

- 1.8 This Industrial Strategy is not just about building a better economy, but is about securing benefits for everyone, everywhere in Northern Ireland. We want economic growth, not for growth's sake, but for the common good. As we pursue our economic goals, we must never lose sight of the need to make the benefits of growth something that everyone experiences. Inclusive growth is central to our vision.

⁶ Helliwell, J., Layard, R. and Sachs, J. (2016) *World Happiness Report 2016*

⁷ Office for National Statistics (2016) *Personal Wellbeing in the UK 2015 to 2016*

Ambition

1.9 A recurring theme that emerged from many quarters during the preparation of this draft Industrial Strategy is that we must be ambitious. As Chapter 3 highlights, Northern Ireland no longer needs to look back to rebuilding our economy in the aftermath of the global downturn. Our focus must now be on creating an inspiring vision of the future with inclusive growth, prosperity and rebalancing our economy at its core. This draft Strategy is centred on ambition. Ambition to seize the opportunity presented by our new approach to developing and delivering the draft Programme for Government, with its focus on partnership and long-term outcomes. Ambition to secure a step change in performance in areas which, while improving, are not progressing fast enough to mark us out as world class. And ambition on the part of business to invest and improve productivity in response to our decision to reduce Corporation Tax, thereby delivering growth and jobs.

Framework for Growth

1.10 Our proposed Framework for Growth is presented in Figure 1 on page 9 and expanded upon in Chapter 5. To support the delivery of our vision, we propose five Pillars for Growth. These are:



1.11 Based on extensive research, including international benchmarking, we have concluded that this is the most appropriate framework to achieve our ambitions for growth and competitiveness. This has been substantiated through our consultation and engagement to date, including the feedback received as part of our call for evidence.

Strategic coherence

- 1.12 Our Industrial Strategy will support the outcomes in the draft Programme for Government and complement the Investment Strategy and Social Strategy. Together these plans will drive the prioritisation of the budget both now and over the longer term and ensure that our successful manufacturing and service companies continue to grow.
- 1.13 We must ensure strategic coherence across the full range of our economic development policies. Northern Ireland has strategies in place for innovation, skills and exports, and a range of associated policies. Our new Industrial Strategy does not mean that we tear these up and start again. We will align all our supporting strategies and policies across each of the five Pillars for Growth with the vision outlined in this Industrial Strategy.

Supporting strong and emerging sectors

- 1.14 For Northern Ireland's Industrial Strategy to be successful it must establish a clear strategic positioning of how we are to compete in the global economy. Small economies cannot be experts or world class in every area. Our research shows that they recognise the need to prioritise on the basis of

well structured choices to deliver their desired outcomes.

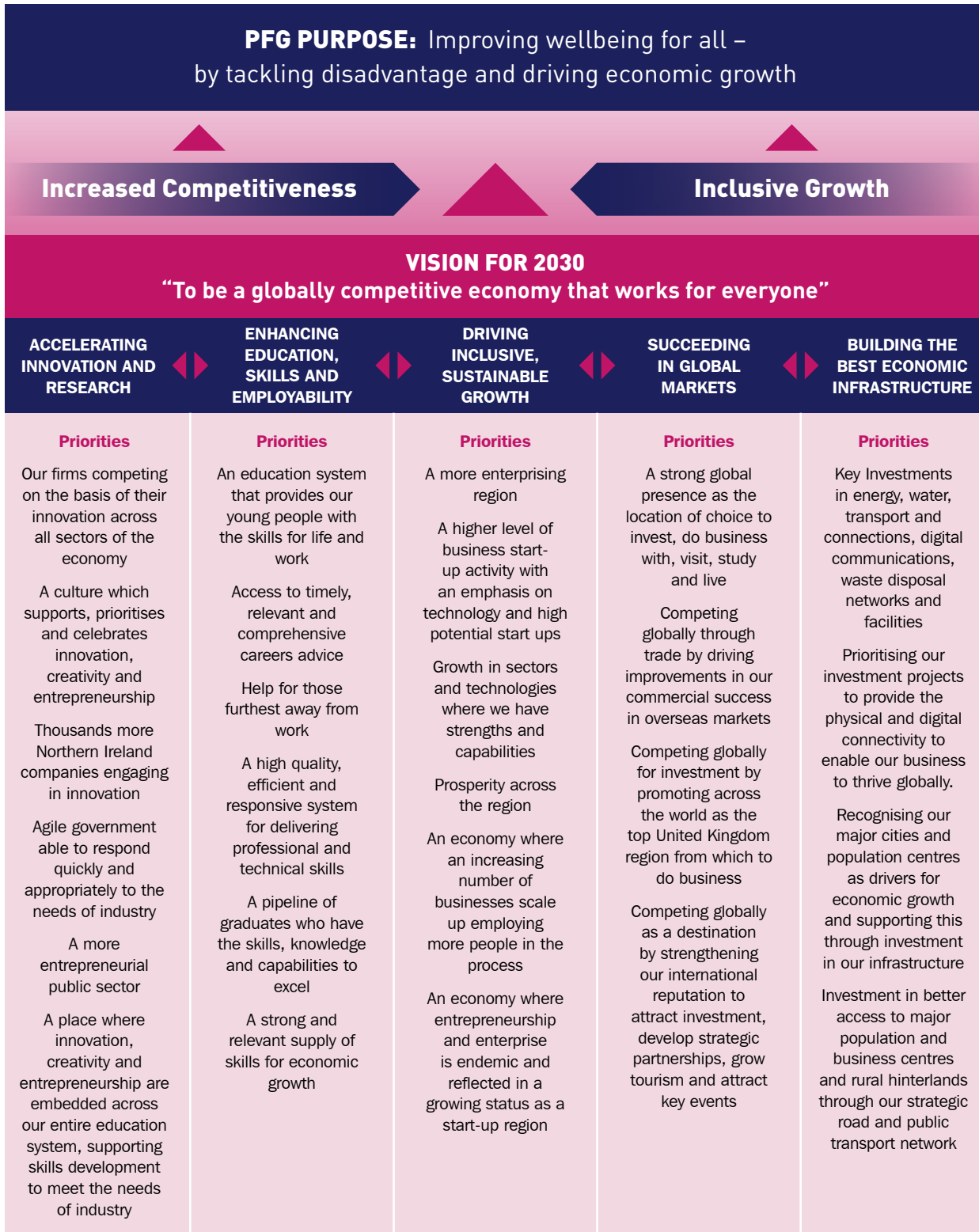
- 1.15 Every sector is vital to our economy and will be assisted but support will be strongest for those sectors and sub-sectors where we are already world class and where we can become world class. Northern Ireland leads the way in a number of advanced manufacturing and service sectors and we want to build on this excellence.
- 1.16 We will offer enhanced investment and support to those market opportunities that are most likely to lead to strong and sustained economic growth. We recognise that Northern Ireland companies cannot compete successfully at the pinnacle of every global market and across all sectors and technologies, but we know our companies can compete successfully at the highest level in a number of areas. Therefore we need to concentrate on sectors and niches with world class potential.

Delivering our strategy

- 1.17 Achieving our ambitious vision for the Northern Ireland economy will require partnership working across the whole of our economy as well as an alignment of effort and a shared commitment to drive forward change.



Figure 1 – Framework for Growth



Only by Government working alongside the wider public sector, the voluntary and community sector, trade unions and business will we be able to realise our vision of strong and sustainable growth which works for everyone. To advise and assist with the implementation of the Strategy, we will consider the creation of an Industrial Strategy Partnership involving government, local government, industry, third sector and trade union representatives.

Monitoring progress

1.18 Chapter 6, Measuring Success, sets out in detail how we will monitor the progress of our Strategy to ensure that the actions we are taking will contribute to the outcomes we wish to see and, importantly, align with the indicators agreed as part of the draft Programme for Government. We also set out here a number of key economic milestones as we work towards achieving the longer term outcomes.

QUESTIONS

- 1 Do you agree with the proposed vision for the Northern Ireland economy? In particular, do you agree with the twin emphasis on competitiveness and inclusiveness?**
- 2 Do you agree with the proposed five Pillars for Growth?**
- 3 Do you agree with the proposed economic milestones?**

THE NORTHERN IRELAND ECONOMY: 2017-2030 MILESTONES

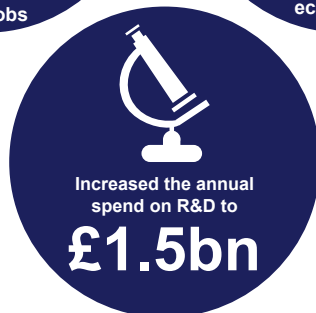
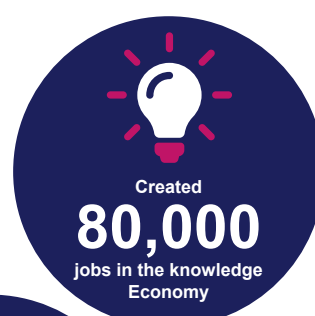
By 2021, we will have



By 2025, we will have



By 2030, we will have



GLOBAL BEST PRACTICE

Benchmarking Northern Ireland against the best

Learning from Global Best Practice

2.1 In seeking to become a leading, internationally competitive economy it is important to examine economies which face similar challenges and opportunities to ourselves, not least those that have small domestic

markets and are peripheral geographically. Our research has considered in detail how Northern Ireland compares against eight of the most relevant, best-in-class small advanced economies.

Figure 2: Small Advanced Economy Competitiveness Rankings



Source: Department for the Economy (forthcoming), Benchmarking Northern Ireland's Competitiveness against Small Advanced Economies

Note: Ranked 1-9 where 1 = most competitive



2.2 Northern Ireland’s competitiveness is similar to that of Estonia, New Zealand and Israel (see Figure 2). But our ambition should not stop there. We want to be more competitive with countries such as Finland, Denmark and Singapore and, closer to home, Scotland and the Republic of Ireland. We also have to acknowledge that these economies are not standing still. As we improve, so too do they and the gap does not necessarily close. It is not enough to do better than before. We must set our sights on being the best. We will only do this by building

a unique competitive proposition that works for Northern Ireland.

2.3 While we must learn from the success of others it is not sufficient simply to copy an economic model that has worked elsewhere. Northern Ireland is unique and we must build on our own strengths with the aim of being a global leader on each dimension. We are already an internationally engaged small economy (see Figure 3) through an attractive foreign direct investment proposition and strong export

Figure 3: Competitive Ranking by Theme



SCO = Scotland **EST** = Estonia **NZL** = New Zealand **DNK** = Denmark **FIN** = Finland
NIR = Northern Ireland **ISR** = Israel **SGP** = Singapore **ROI** = Republic of Ireland

Source: Department for the Economy (forthcoming), Benchmarking Northern Ireland’s Competitiveness Against Small Advanced Economies

Note: Ranked 1-9 where 1=most competitive



base, delivering for both manufacturing and services. However, we want to do even better in this area while substantially improving our standing in other areas too. **We propose that Northern Ireland should set itself the target of becoming one of the three most competitive of these nine economies by 2030.**

- 2.4 In ranking ourselves against the best, we look to Finland's innovation and skills base. We look to how Denmark has delivered economic prosperity alongside equality and wellbeing. We look to how Singapore has established itself as a hub for international businesses, supported by one of the world's most business friendly environments. We look to how the Republic of Ireland has used its international positioning to deliver substantial improvements in productivity and living standards. We look to how New Zealand has overcome significant geographical challenges to develop a globally competitive agri-food sector. We look to how Scotland has become one of the leading United Kingdom regions and developed world class expertise in sectors such as renewable energy and video game development.

In terms of shifting the pace of economic change we look to the strong policy fundamentals that Estonia has now put in place allowing it to catch and, in some cases, overtake much more established developed economies from a low base. We look to how Israel has built a high-tech start up nation with a leading finance system for growth businesses. This outward looking focus will permeate our approach as we move forward to ensure that what we are doing can be considered world class.

- 2.5 In reviewing how these economies have achieved their success, a number of common lessons emerge (see Box 1). Our proposals reflect these themes but we need to supplement this with a singular focus on prioritisation.
- 2.6 As part of its forward agenda, we will invite the Economic Advisory Group to examine in more depth specific dimensions of the Competitiveness Scorecard particularly in relation to understanding how to improve Northern Ireland's productivity position. Learning from global best practice, we will ask the Economic Advisory Group to make recommendations for the development and delivery of policy interventions in Northern Ireland that will improve our competitiveness ranking.



Box 1

Key Lessons from Best Practice in Small Advanced Economies

Strategic Coherence. Small economies need to be crystal clear about their strategic direction, ensuring that policies are coherently aligned around a deliberate strategy which supports a globally competitive national value proposition.

Prioritisation. Small economies cannot be world class at everything, and need to build on distinctive strengths in a small number of areas where there is genuine potential to be internationally recognised as the best.

International Engagement. Without a large domestic market to rely on, it is essential that small economies look outwards to attract investment and sell into larger and more diverse external markets.

Innovation and Human Capital. Successful small economies make the most of the limited resources available to them, and focus on knowledge to build a distinct competitive advantage.

Enterprise. Mature firms make a vital contribution to small economies, but domestic policy is now increasingly focusing on a small number of high growth potential companies which can become global leaders in their field.

Source: Skilling, D. (forthcoming), *Economic Context and Policy Approaches in Small Advanced Economies*

QUESTION

4

Do you agree with the importance of continuously benchmarking Northern Ireland against other small advanced economies?

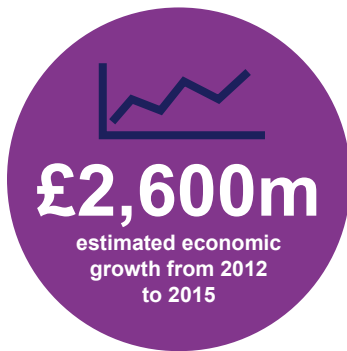
OUR IMPROVING ECONOMY



Introduction

3.1 Our current Strategy was developed at a time when Northern Ireland was still suffering from the effects of the global economic downturn. Economic output was falling with consequential impacts for unemployment, jobs and our employment and inactivity rates. Rightly, the immediate priority at that

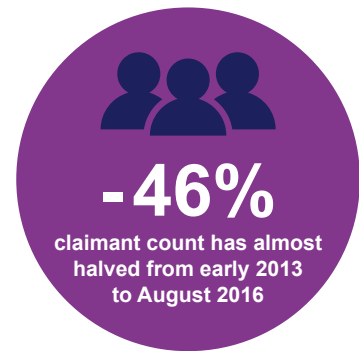
time was on rebuilding the economy by ensuring that people did not become permanently detached from the labour market. Alongside that, work was taken forward to rebalance the Northern Ireland economy so that the private sector was significantly stronger and there was less dependence on the public sector.



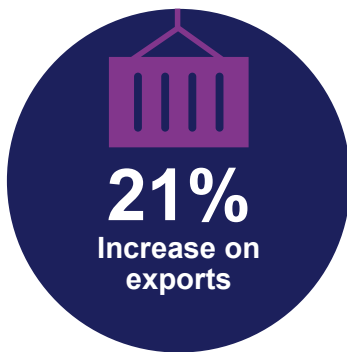
Size of the Economy



Additional Jobs



Unemployment



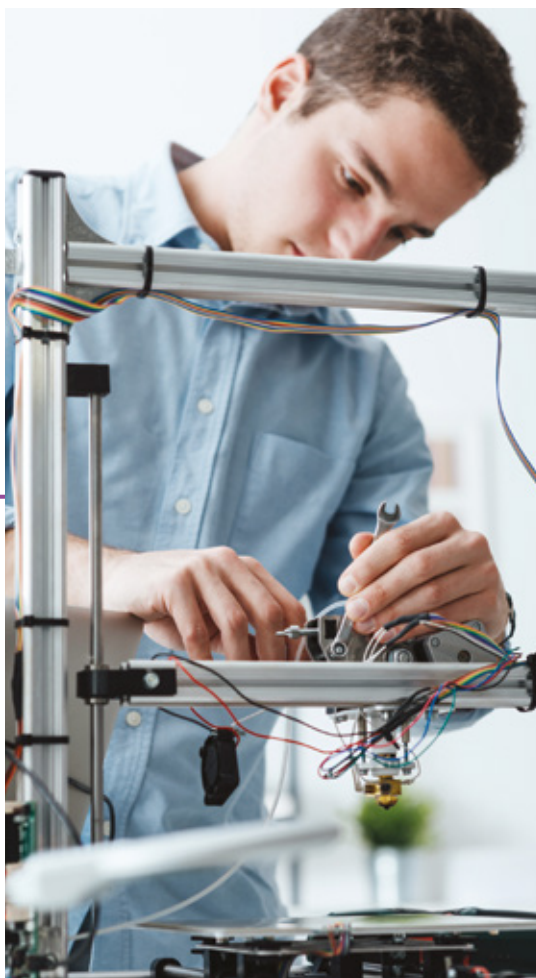
Exports



Innovation



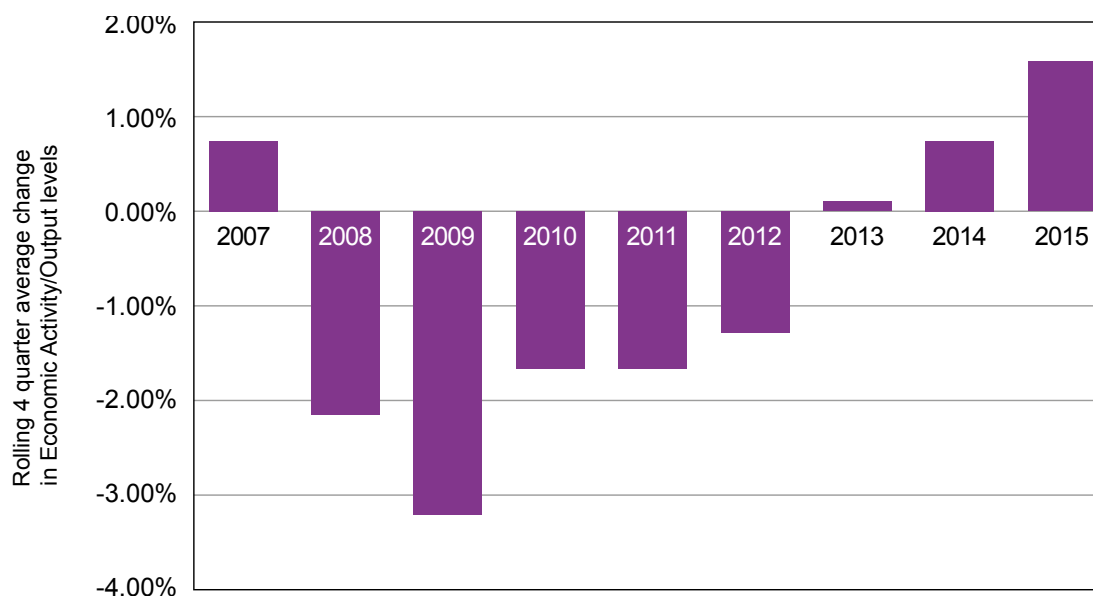
Skills



Private sector is driving growth

3.2 In 2016, our economic landscape is markedly different and we have, overall, been on a path of growth (Figure 4). We are benefitting from our rebuilding approach while also rebalancing the economy towards a stronger private sector which has been leading recent growth.

Figure 4: Economic Growth



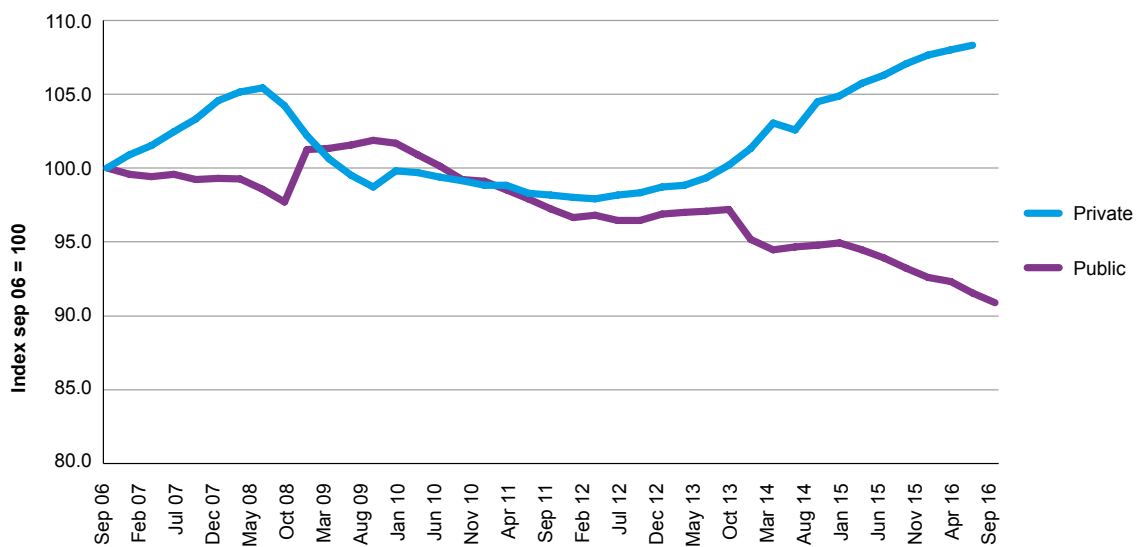
Source: Northern Ireland Composite Economic Index

Labour market strengthening

3.3 Since 2012, just over 40,000 employee jobs have been added to the economy with private sector employee jobs growth of over 50,000, more than offsetting a reduction of around 13,000 employee jobs in the public sector (Figure 5). Employee jobs have now returned to pre-downturn levels and are on par with the June 2008 peak (Figure 6). The Annual Business Register and Employment Survey shows that this private sector employment growth has

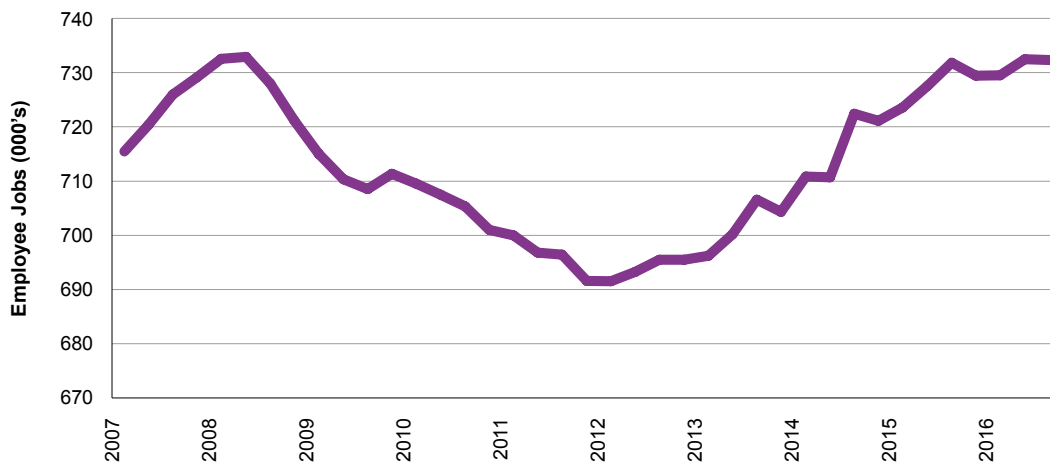
also been evident across each of the local council areas, growing between 3.5% and 13.3% from 2012 to 2015. The most recent Annual Business Register and Employment Survey, published September 2016, also shows growth of 4.1% in employee jobs in the Manufacturing sector and 4.8% in the Construction sector between September 2014 and September 2015. The latest quarterly employment survey (September 2016) also shows a significant increase in service sector employment, up 6% from June 2012.

Figure 5: Index of Public and Private Sector Jobs



Source: Quarterly Employment Survey

Figure 6: Employee Jobs



Source: Quarterly Employment Survey

- 3.4 Unemployment has fallen steadily from a peak of around 65,000 claimants in early 2013 and is now down to 32,700. These declines have also been experienced across all local council areas, ranging from a fall of between over 35% to just under 65%. Similarly, the unemployment rate is moving firmly in the right direction reducing from over 8% in 2012 to 5.6% now, much lower than the Republic of Ireland (7.3%) and the European Union average (8.3%).
- 3.5 Our employment rate reached its highest level on record during 2016 sitting at around 70%. However, more remains to

be done to increase it further which will add economic capacity and best deploy all our talents.

- 3.6 Overall economic inactivity has been declining and reached an all time low of below 26% during 2016. While inactivity here remains higher than the United Kingdom average, our ambition is to reduce this further particularly within the context of an economic inactivity rate excluding students. It is vitally important that those who are inactive have the opportunity to shape and share fully in the economic transformation on which we have set our sights so that growth benefits everyone.

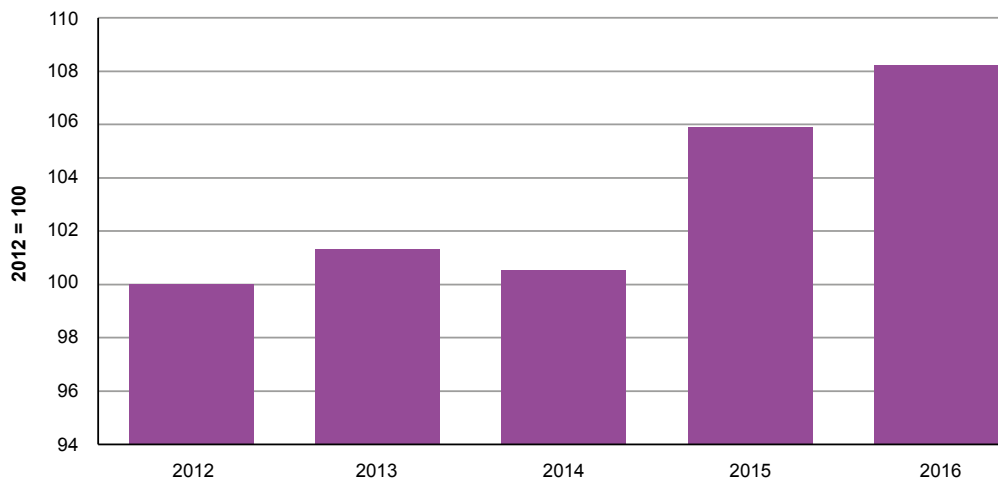
Income and earnings

3.7 Ensuring that work pays is essential for inclusive growth. Our aim is to do all that we can to get more people into work and earning more so that everyone has the opportunity to share in the gains of growing prosperity, consistent with the Executive’s ambition of having more people in better jobs. There has been an increase in earnings for Northern Ireland employees in recent years (see Figure 7). Median gross weekly earnings for full-time employees in 2016 were up by 2.2% from 2015 levels. This increase was the same as that of United Kingdom

employees overall and the second consecutive annual increase which exceeded the rate of inflation. Those employees with lower income levels witnessed even stronger growth in their earnings over the period.

3.8 Increasing the proportion of people in Northern Ireland working in good jobs is a priority for the Executive. A ‘Better Jobs’ Index, currently under development, will measure the key dimensions of job quality that are important for employee wellbeing. Earnings quality is a key determinant of a good job. Wages received by workers

Figure 7: Index of Northern Ireland full time median earnings



Source: Annual Survey of Hours and Earnings (ASHE)

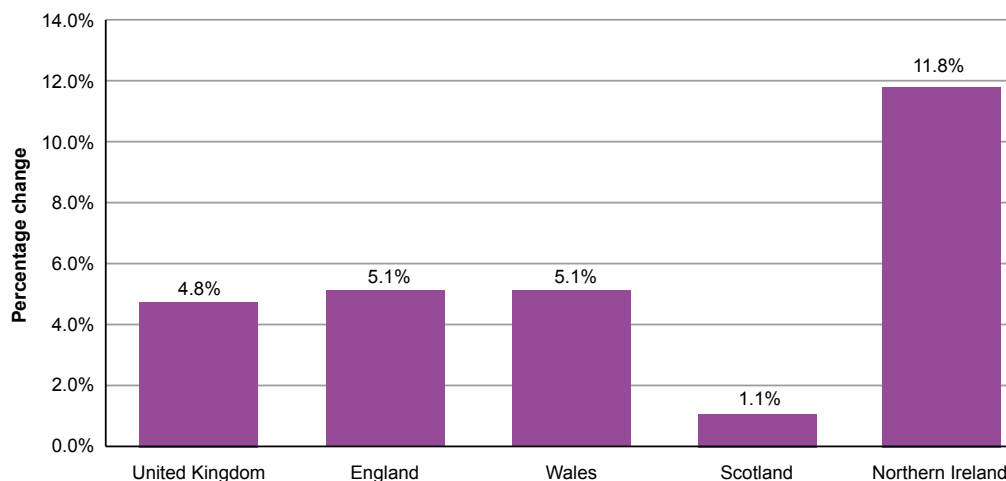
in their jobs contribute to their individual wellbeing, and the level of overall earnings provides a key benchmark for assessing living standards in the economy. Moreover, we propose that the 'Better Jobs' Index should also include other more qualitative aspects of employment that contribute to employee wellbeing and satisfaction.

Exports, innovation and skills increasing

3.9 External sales of goods and services to markets outside Northern Ireland reached a record high in 2014, rising

to £22.5 billion. In addition, more recent data from the Regional Trade Statistics (goods only) show a 12% growth in goods exports for Northern Ireland between the third quarter of 2014 and the third quarter of 2016. These increases have been higher than all other the United Kingdom countries (see Figure 8). Building on this success, to be world class and be recognised as a globally active exporting economy, we need to increase further the number of manufacturing and services businesses engaged in exporting and the volume of sales to markets outside of Northern Ireland. Our Export Matters Strategy

Figure 8: Goods Exports Growth, 2014 Q3 – 2016 Q3



Source: HMRC RTS

aims to ensure that the conditions and behaviours are in place to help us achieve these goals and that all our trade and export support mechanisms are aligned and coordinated to make them as effective as possible.

- 3.10 Innovation expenditure by companies is increasing. The most recent figures from 2015 show that total expenditure on research and development was £750 million, the highest figure on record. Encouragingly, the number of companies engaging in research and development has also increased to over 700. However, further significant improvement is needed if we are to close the gap with top performing economies and to realise our ambition of establishing Northern Ireland as an innovation powerhouse on a global stage.
- 3.11 At the same time, the local skills profile has been improving. Between 2012 and 2015 the proportion of the working age population with level 4 and above qualifications has increased from 27.4% to 29.6% while the proportion with no qualifications decreased from 18.4% to 16.3%. While moving in the right direction, the Northern Ireland skills profile remains behind many OECD and European Union countries, particularly in terms of the high proportions here

with low or no qualifications. Improving the skills and employability of those who face the greatest barriers to accessing the labour market will remain a priority so that all can share in the benefits of growth.

Commitment towards rebalancing

- 3.12 Northern Ireland has emerged from the worst effects of the global economic downturn. There have been positive developments across the economy, in the labour market, and on exports, innovation and skills. While some focus on rebuilding must remain especially in respect of addressing issues surrounding economic inactivity and those furthest from the workplace, we believe that this suggests our Strategy can now move further towards a focus on rebalancing, one which drives further private sector growth and jobs, one which benefits all our people and one which is regarded as world class.

QUESTION

- 5 **Do you agree that the Industrial Strategy should now move towards a rebalancing focus?**

3



OUR PRIORITIES FOR GROWTH

Supporting Strong and Emerging Sectors



- 4.1 A core lesson from international research on successful, small advanced economies is a clear understanding and acceptance that such economies cannot be expert or world class in every area. These economies recognise the need to focus and prioritise on well structured choices in order to deliver the desired economic outcomes. Mapping high value capabilities onto existing and/or emerging global market opportunities has acted as an engine for economic growth in places like Singapore and Switzerland. To do so requires such economies to become specialised in niche areas and sectors, and for policy levers and investment to be targeted accordingly.
- 4.2 We have identified six broad sectors of the economy, across both manufacturing and services, where Northern Ireland has world class capabilities. These are:
- Financial, Business and Professional Services;
 - Digital and Creative Technologies;
 - Advanced Manufacturing, Materials and Engineering;
 - Life and Health Sciences;
 - Agri-Food; and
 - Construction and Materials Handling.
- 4.3 The work of the MATRIX Panel also provides a robust evidence base of current and future market opportunities (see Figure 9) where Northern Ireland already has competitive advantage and, importantly, has capacity and capability to compete successfully in global markets.
- 4.4 The reduction in the rate of Corporation Tax will also open up opportunities in other sectors such as pharmaceuticals.
- 4.5 A sectoral approach enables efforts to be focused on the needs of similar clusters of companies, while addressing the issues impacting on them, whether that be skills, productivity including manufacturing processes, infrastructure, energy, innovation or access to markets. Sectoral strategies and action plans are in place or are being developed for aerospace, life and health sciences, agri-food, digital and advanced manufacturing and advanced materials.
- 4.6 In 2014 the Northern Ireland Partnering for Growth Strategy set out a ten year plan for the development of the aerospace, defence, security and space industry with growth targets of doubling annual turnover from £1 billion to £2 billion and increasing direct employment from 8,000 to 12,000. Work is being taken forward under six strategic themes including supply chain excellence and sales, exports and marketing. In the first two and a half years of the strategy's



Figure 9: MATRIX Panel Priorities

ICT	Life & Health Sciences	Advanced Manufacturing, Materials and Engineering
Cyber Security Data Analytics Application Software Advanced Networks & Sensors	Clinical Trials Digital Health Precision Medicine & Diagnostics	Materials Handling Polymers Aero, Defence, Security & Space Automotive Agri-Engineering Construction Products

implementation, significant progress has been made and it was announced on 5 September 2016 that annual turnover in the sector has been increased to £1.3 billion and overall employment is now almost 10,000.

- 4.7 Within the life and health sciences sector, Northern Ireland has competitive advantage in niche areas including precision medicine and diagnostics (see case study 1), medtech and digital health as well as clinical trials.

A strategic action plan is being developed to deliver greater connectedness across business, government, clinicians, health professionals and academia to provide a continuum of support from early stage research through to commercialisation and high value job creation. The plan is to create an environment and supporting infrastructure that will improve health outcomes through the adoption of new health innovations, meet current and future skills needs and facilitate growth within the sector.

Case Study 1

Precision Medicine and Diagnostics

Precision Medicine is about diagnosing and treating patients in a way which is specific to them, thereby giving the greatest chances of success. This relatively new area of science is of great significance, both in terms of bringing improved patient outcomes and economic growth for the companies and regions which can develop these new medical breakthroughs quickly and bring them to market.

Northern Ireland's significant strengths and capabilities in the field of Precision Medicine were recently recognised when it was announced as one of six United Kingdom regional Centres of Excellence in Precision Medicine as part of the Precision Medicine Catapult Network. Northern Ireland also has one of the strongest diagnostics clusters, with two of the top three United Kingdom companies.

- 4.8 In 2013 the Agri-Food Strategy Board published *Going for Growth*, a Strategic Plan for the sector with targets of profitably growing turnover by 60% to £7 billion by 2020. Substantial progress has been made, with turnover increasing by nearly 23% to £4.6 billion in 2015, but clearly more needs to be done if we are to meet the 2020 target. There has also been significant progress in the food and drink processing industry with employment increasing by 8% from 2010 to 23,500 in 2015. The aim is to transform the industry into an ambitious, outward looking and globally competitive sector. At its core the sector aims to have a world class supply chain focused on exploiting global opportunities.
- 4.9 The MATRIX Panel report on Advanced Manufacturing, Materials and Engineering (AMME) highlights that manufacturing still lies at the heart of business and industry in Northern Ireland. It has a diverse range of sub sectors from aerospace, automotive, electronics, pharmaceuticals and chemicals to heavy plant, agri-tech equipment and construction. These make a significant contribution to the local economy with approximately 2,050 companies, 44,000 highly skilled employees and high levels of productivity. AMME businesses are export intensive with 80% of sales occurring outside of Northern Ireland. In 2014 sales and exports of AMME goods totalled £7.2 billion.

4.10 The AMME sector in Northern Ireland is leading the way with significant investment in innovation, research and development and exports to global markets. With continued targeted support we can build on the success of this rich and varied sector, not only for AMME companies, their supply chains and employees, but for the Northern Ireland economy as a whole. With this support the AMME sector in Northern Ireland can grow to 3,000 companies employing 67,000 people and sales of £21 billion by 2030.

4.11 The MATRIX Digital ICT foresight report, launched in February 2016, identified four areas – software engineering, advanced networks and sensors, data analytics and cyber security – in which Northern Ireland is already, or has the potential to be, world class. It matched

those strengths to specific fast growing global markets with the proposition that, if we develop the skills base and have our strategic approach correctly aligned, we can take full advantage of emerging opportunities in major areas including: data analytics, machine learning, the internet of things and cyber security.

4.12 Currently the digital-ICT sector in Northern Ireland employs 13,000 people, with a further 15,000 digital-ICT specialists working in non-ICT companies. The sector accounted for £870 million of economic output in Northern Ireland in 2013, a figure which represents 32% growth over five years. It is anticipated that growth will accelerate in the years ahead. Similarly, exports from the sector in Northern Ireland totalled £283 million in 2014, marking a 25% increase over the preceding three years with growth anticipated to accelerate.

Case Study 2

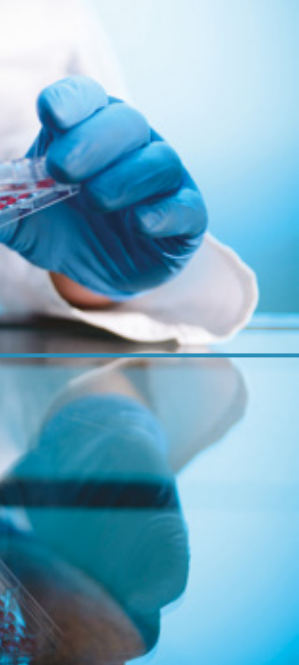
Cyber Security

Building on our world recognised strengths and capabilities the cyber security sector in Northern Ireland has grown by 30% in the last twelve months and is now estimated at around 1,100 jobs. Belfast now has the highest concentration of cyber security jobs in Europe and includes companies such as Proofpoint, IBM, Rapid, WhiteHat and Alert Logic. This rapid expansion is supported by the Centre for Secure Information Technologies (CSIT) in Belfast, which is the United Kingdom's National Innovation and Knowledge Centre for Cyber Security. We will make Northern Ireland a global innovation hub for cyber security supporting over 5,000 jobs in this highly specialised area.



- 4.13 It is in areas such as these where Northern Ireland is already or can be world class that we need to maximise our efforts and resources. Sectoral strategies and action plans provide a model for prioritising our support in the future to identify and help build globally competitive businesses. We will align each of these sectoral strategies with the 2030 horizon set out in this Strategy.
- 4.14 Northern Ireland has gained a global reputation in the creative industries with notable success in the TV and film industry as well as the burgeoning animation sector. High profile, large scale TV and film productions like HBO's Game of Thrones, shot on location here, provide significant investment in the local economy and promote Northern Ireland to global audiences. We will continue to work with NI Screen and other key stakeholders to build and expand on the success achieved to date.
- 4.15 We recognise that global markets are continually evolving and new and enhanced technological opportunities are emerging. Digital technologies will have a transformative and disruptive effect across all aspects of the economy. We need to ensure our companies understand the potential impact of emerging digital technologies and the opportunities that these bring. We must continue to support the development and exploitation of breakthrough technologies and new to market products. We will review how we support our companies to be more productive and to enhance their capabilities in crucial enabling technologies such as data analytics, robotics, automation, Industry 4.0⁸, machine learning, artificial intelligence, augmented reality, advanced materials and production techniques, and exploit the growth opportunities these hold for the local economy.
- 4.16 We will prioritise efforts and funding on high-value advanced manufacturing and services recognising the interdisciplinary nature of such businesses and the need for greater collaboration and clustering of companies within and across traditional boundaries.
- 4.17 We will enhance infrastructure capability and collaboration across sectors building on the Competence Centres already established in connected health, energy, agri-food and advanced composites and materials. We will run competitive calls with a focus on building collaboration and interdisciplinary development of new innovative products or processes.

8 Industry 4.0, *Challenges and solutions for the digital transformation and use of exponential technologies*, Deloitte 2015



4

Clusters

4.18 Clusters play a key role in supporting firms to achieve critical mass and economies of scale and to compete in larger, more diverse and more competitive markets than they could if they were to act alone. By concentrating on core competencies and creating a network of specialist suppliers and partners, firms can develop their unique assets, remain flexible and adaptable and at the same time respond to the demands of the global market. Networks allow businesses to share costs and risks which have become too high for those working in isolation. They can contribute to a foundation of knowledge and help stimulate technological innovation, as is seen in the technology clusters in California's Silicon Valley and Bangalore in India.

4.19 Most small economies only have a limited number of world class clusters. In Northern Ireland we have significant clusters in agri-food, aerospace, polymer processing and materials handling companies in the mobile crushing and screening industry. Clusters are also emerging from fintech, legal services and cyber security. We must continue to support the growth of these clusters and others in our niche areas. In particular we will concentrate on supporting our firms to become integrated into international clusters.

Case Study 3

The Aero, Defence, Space and Security cluster

The success of the aero, defence, space and security (ADS) sectoral cluster clearly demonstrates the benefits to be gained from working together at a strategic level.

The ADS cluster is a sophisticated, mature, organised cluster in Northern Ireland, with a number of key characteristics:

- NI aerospace is a \$1.6 billion industry;
- Formally clustered;
- Europe's 8th largest aerospace region in revenue terms;
- Over 44 ADS companies in Northern Ireland, 16 of which (employing 9,253) are in the top 200 AMME in Northern Ireland; and
- A mature and diversified supply chain.

QUESTION

- 6 **Do you agree that our Industrial Strategy should support sectors where Northern Ireland is world class or where we have the potential to be world class?**

OUR PILLARS FOR GROWTH

Introduction



5.1 We aim to improve the competitiveness of the Northern Ireland economy. Competitiveness remains the international benchmark against which advanced economies continue to be measured. To that end we are determined to become a truly world class economy that works for all. We believe that competitiveness will in turn support the levels of export led growth which will be essential to deliver increasing employment and wealth for everyone in Northern Ireland.

5.2 In order to deliver the necessary improvements in competitiveness we will target resources under five Pillars for Growth described below. We will bring forward actions and interventions aimed at increasing the size and strength of our private sector. These will strengthen the ability of our local businesses to compete successfully in global markets. These Pillars are interdependent and mutually supportive, and action will be required across each to achieve our vision. As part of our framework for growth, our priority Pillars are:

- Accelerating Innovation and Research
- Enhancing Education, Skills and Employability
- Driving Inclusive, Sustainable Growth
- Succeeding in Global Markets
- Building the Best Economic Infrastructure



PILLAR 1 - ACCELERATING INNOVATION AND RESEARCH

5.3 Our ambition is to transform the Northern Ireland economy into one that is underpinned by innovation and creativity and is recognised as the best place in the world to grow a business. The evidence shows that businesses that innovate and collaborate are more productive, more inclined to export and employ more highly qualified people. Innovation is about actions which convert ideas into value. That conversion of ideas can be facilitated by research and development, new machinery, new processes, new systems or new training, but fundamental to successful innovation is people – people with vision and a willingness to embrace change, to test new ideas, to collaborate with others and to give leadership. As we work to transform our economy we will support people to engage in innovation.

Building on a legacy of innovation

5.4 Northern Ireland has a proud and rich history of innovation and entrepreneurship. That legacy persists to the modern era. Whether it is Wrightbuses on the streets of the world's leading cities or First Derivatives software supporting financial trading across the

globe, Northern Ireland innovation can be seen throughout the world. But to transform our economy into one that is knowledge based, with more people employed in better jobs and Northern Ireland taking the lead in new markets, the evidence shows that we need many more companies engaging in innovation than at present.

5.5 This was the core message of the Northern Ireland Executive's Innovation Strategy published in September 2014, and that message remains relevant. We are making positive progress in implementing that strategy. But to deliver the ambition set out in the Innovation Strategy we must accelerate its implementation, in particular in three key areas:

- Driving cultural change;
- Strengthening the innovation ecosystem; and
- Supporting research excellence.

Driving cultural change

5.6 Innovations occur where the right conditions exist. The research on leading innovative regions shows that

they all have a strong innovation culture, one where individuals across all sectors - private, public and voluntary - feel that they have the necessary support to be creative and engage in innovation. Our focus therefore will be on creating the environment, within our education system and within our private and public sectors, that will stimulate creativity and entrepreneurship.

Strengthening the innovation ecosystem

5.7 Our approach to innovation must be broadened to strengthen innovation capacity throughout the region. Innovation requires much more than novel technology or research. Good ideas are the starting material, but progressing these needs people with the right skills and access to resources, including finance, expertise and facilities. This is the innovation ecosystem. It is important that our local businesses are facilitated to take advantage of innovation support structures beyond Northern Ireland including, for example, the services offered by Innovate UK and the Catapult network. Our focus will be on ensuring that all our companies are integrated into that ecosystem, so that they can quickly access the right support, at the right time and from the right source.

5.8 Driving innovation within and from the public sector will strengthen the innovation ecosystem. Through programmes such as the Small Business Research Initiative, we have successfully demonstrated how public sector procurement can de-risk innovation and research and development for local businesses, particularly micro business, helping them bring break through products to market and at the same time improve public services. We will therefore increase our usage of such programmes particularly in the health and social care sector.

Supporting research excellence

5.9 Supporting our universities and research institutes to focus on research excellence has enabled Northern Ireland to be recognised as world class in a number of research fields. This has helped underpin economic growth, attracting high value foreign direct investment, enabling local businesses to develop and exploit new, cutting edge technologies leading to new products and services for global markets and providing a platform for the development of world-leading clusters. We must build on this and ensure that our universities and other institutes have the necessary support to deliver on their ambitions for research excellence.

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To help ensure local research has global impact, we must maximise opportunities for international collaboration, such as the US-Ireland Research and Development Partnership Programme between Northern Ireland, the Republic of Ireland and the United States. This partnership is strategically important in terms of delivering research that attracts developing and growing businesses, leverages further international funding, enhances our international reputation, and produces a highly educated and relevant workforce in demand by industry and academia.

- 5.10 We will strengthen the linkages between the research base and local businesses and encourage the greater commercialisation of publicly funded research. This will include encouraging increased licensing of intellectual property and increasing the number of high growth potential spin-outs from the research base, including from our universities, by applying innovative approaches such as 'lean launch-pad' to support research to move from the lab to the market.



ACCELERATING INNOVATION AND RESEARCH

Ambition

An economy where:

- Entrepreneurship and enterprise is endemic and reflected in a growing status as a start-up region;
- Innovation is embedded in the DNA of every company;
- We build industries on the back of where we are genuinely world class in academic research.

What do we want to achieve?

- Our firms competing on the basis of their innovation across all sectors of the economy;
- A culture which supports, prioritises and celebrates innovation, creativity and entrepreneurship;
- Thousands more Northern Ireland companies engaging in innovation and competing globally;
- Agile government able to respond quickly and appropriately to the needs of industry;
- A more entrepreneurial public sector playing a proactive role in economic development as an investor and partner for growth;
- A place where innovation, creativity and entrepreneurship are embedded across our entire education system, supporting skills development to meet the needs of industry;
- More businesses driving competitiveness through use of e-business.

What are we going to do?

We will:

- Examine options such as a specific ringfenced fund or a science funding agency to help develop and promote global research excellence, foster greater industry/academic collaboration and better align research with economic opportunities and our sectoral strategy;
- Create a new post of Chief Scientific and Technical adviser to drive science, research and innovation in the economy;
- Work with industry to develop new tech and science parks and campuses to create networks and facilities that encourage clustering and accelerate innovation;
- Create a range of prizes and challenges to encourage collaboration on resolving challenges in the economy, society and the environment and using them as an opportunity for growth;
- Increase efforts in supporting non-innovative companies to engage in innovation;
- Undertake a new extensive innovation branding campaign including the introduction of a new Investors in Innovation accreditation;
- Establish a permanent Innovate UK presence in Northern Ireland;
- Prioritise investment in a smaller number of key sectors such as cyber security and personalised medicine in order to create sufficient scale to compete more successfully in global markets;
- Strengthen the linkages and between industry and the education sector;
- Increase the focus on public sector innovation through, for example, the creation of a new Northern Ireland Innovation Fund;
- Support the local research base, including universities, to increase the number of sustainable spin out companies in Northern Ireland;
- Develop a strategy focused on making Northern Ireland a pioneering region in capitalising on emerging artificial intelligence, robotics, automation technologies and internet of things;
- Establish new international research and development partnerships to build on the success of initiatives such as the US-Ireland Research and Development Partnership Programme.

How will we know we are on target?

Indicator	What this looks like
United Kingdom Regional Innovation Ranking	Increased innovation in our economy
NI Research and Development Survey	Increased total spend on Research and Development
Knowledge Economy Jobs	Increased employment in the knowledge economy
Business start up rates	Increased number of new businesses

PILLAR 2 - EDUCATION, SKILLS AND EMPLOYABILITY

5.11 Our people are the driving force of our economy. It is their talent, creativity and hard work that attracts investors to Northern Ireland, helps local businesses to thrive and grow and generates ideas for new enterprises. Our task is to:

- equip all our people with the education and skills that will allow them to achieve their full potential;
- ensure that we have a skills pipeline that meets, and responds in an agile way to, the changing demands of business and the economy; and
- support those who need our help to access the skills that will help them compete for employment opportunities.

5.12 We have many partners in this endeavour. Within Government, the Department for the Economy will work closely with the Department of Education, the Department for Communities and the Department of Agriculture, Environment and Rural Affairs to ensure that our education, skills and employability policies and programmes are coherently aligned,

with clearly signposted pathways for people to progress up the skills ladder and comprehensive information to facilitate appropriate choices at every level. We will work with the school, further education and university sectors to ensure that provision is both excellent and relevant, and give businesses a strong voice in helping to shape skills provision and outcomes that meet their needs. We will work closely with our many partners in the private, voluntary and community sectors who deliver skills and employability training to equip our people for work. And we will underpin this with a commitment to provide high quality, effective careers education and advice that supports appropriate careers choices.

5.13 Our proposals under this Pillar focus on three areas:

- improving educational outcomes from an early age;
- supporting those furthest from the workforce; and
- ensuring we have the necessary skills pipeline to meet business needs now and in the future.



Improving educational outcomes from an early age

5.14 Our education system must serve our young people effectively and efficiently, especially those most at risk of underachieving. We must ensure that all learners acquire the greatest benefit from that provision. Our young people will be supported to acquire and develop a wide range of skills and knowledge to allow them to compete nationally and internationally for opportunities in education and employment. We will encourage entrepreneurship and innovation from an early stage, build on a strong foundation of core skills and offer pathways and progression towards chosen careers. Focusing on the statutory curriculum, we will raise standards in literacy, numeracy and science capabilities, areas where the Competitiveness Scorecard shows that Northern Ireland remains behind the best international performers. The Programme for International Student Assessment (PISA) provides a global benchmark of 15 year old student performance in science, mathematics and reading. It provides a clear indication of the scale of ambition that is required if we are to close the gap with the world's leading economies.

5.15 The careers education and guidance system will support our people to gain the skills they need to improve their lives and drive economic growth. The Preparing for Success Strategy sets out a coherent, forward thinking and comprehensive vision for the careers system in Northern Ireland. In implementing this strategy, we will transform the careers system and deliver the twin goals of supporting individuals to realise their full potential and contributing to our economic prosperity, by raising awareness of employment growth sectors. We will increase the extent and pace of school to employer engagement to help young people prepare for the world of work and inform their career choices. Working through the Careers Advisory Forum, we will facilitate employers to become more actively engaged with schools as Business Ambassadors.

Supporting those furthest from the workforce

5.16 Northern Ireland has an historic problem of a consistently high rate of economic inactivity. This drags down our competitiveness as a region, and excludes many people from sharing in the wealth created in the economy.



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For many, it represents wasted opportunity and potential. Tackling economic inactivity has the potential to make a huge difference to many people, both economically and socially. It will help the lives of those individuals who wish to overcome their personal barriers and make the journey towards the labour market. To support people in the transition from economic inactivity to employment we will work with the Department for Communities and other partners in building on Enabling Success, the strategy to reduce economic inactivity.

- 5.17 While we have been successful recently in reducing the rate of youth unemployment, marginalised young people continue to find difficulties entering the labour market. Building on the Pathway to Success Strategy, we will work with partners across government to attune support to young people who face barriers to participation in the labour market.

Ensuring we have the necessary skills to meet business need

- 5.18 Employers require a workforce with the right sets of skills to deliver their business objectives now and in the future.

Our new Skills Barometer provides us with a valuable tool to help understand the Northern Ireland skills landscape and to identify growth sectors, skills shortages and future skills needs. This and other research points to the importance of developing our skills base and the employability of our people and, in particular, the importance of skills in Science, Technology, Engineering and Mathematics (STEM). With a significant increase in demand from a number of sectors expected to avail of the opportunities offered by a lower Corporation Tax rate, we need to apply the appropriate policy instruments to deliver that talent pipeline for business.

- 5.19 Through our higher education policies, we will work with our universities to ensure that Northern Ireland's graduates have the skills, knowledge and capabilities that will support them to compete in the international graduate labour market. We will support flexible, part-time higher education provision, alongside the more traditional full-time provision. We will develop a more coherent education policy for those in the 14 to 19 age group to ensure that all follow appropriate education and training routes to maximise their learning potential.

5.20 We are reforming our professional and technical skills offering, through new systems of youth training and apprenticeships, that will create genuinely attractive and alternative pathways for individuals to the higher level skills and qualifications needed to support business growth, and will give business a strong voice in shaping that provision. Through the Apprenticeships/ Youth Training Strategic Advisory Forum and Sectoral Partnerships we will bring employers, further education colleges, the universities and other

key stakeholders together to ensure provision meets the needs of employers and the wider economy. As part of our Apprenticeship Strategy we are developing a range of Higher Level Apprenticeships to enable participants to earn while they learn and gain nationally recognised, professional qualifications across a broad range of occupations. Opportunities are available from Foundation Degree to PhD, with progression routes, and offer an alternative pathway to university.

Case Study 4

Higher Level Apprenticeships

The Higher Level Apprenticeship programme currently has over 600 participants working across over 400 employers in a range of occupational areas including Accounting Technician, Life Sciences, Business Technology, Engineering and ICT. Jill is pursuing a career with Norbrook Laboratories completing her Higher Level Apprenticeship in Life Sciences. Jill said: “The Higher Level Apprenticeship in Life Science has been a fantastic experience for me. I am working towards achieving a Foundation Degree qualification as well as gaining very valuable hands on experience in a laboratory within Norbrook. This programme allows me to earn while I learn, without the expense of going to university.” Elizabeth Moran, Learning and Development Manager, Norbrook said: “We are delighted at how successful the Higher Level Apprenticeship programme has been for both Norbrook and the apprentices. The success of the programme can be attributed to collaboration between Norbrook and the Southern Regional College before the programme commenced, along with the high calibre of apprentices who have demonstrated excellent commitment to the programme.”

5.21 We will meet the bespoke upskilling needs of employers by deploying the resources of our further education colleges and universities to deliver agile and customised programmes such as Assured Skills and specialised 'academies'. We will provide both potential inward investors and existing businesses with a pipeline of talent for in-demand skills sectors, particularly in high growth, high technology

areas such as data analytics, cyber security, cloud computing and software engineering, whilst enhancing the skills of lecturers in new cutting edge technologies important to business growth. In this way we will strengthen the digital capacity and capability of our people and ensure that the skills pipeline meets and anticipates the economy's growing need for transformative digital skills.

Case Study 5

Assured Skills – HighWire Press

Recently Assured Skills arranged the design and delivery of a five week pre-employment training programme for HighWire Press, a new foreign direct investor based in Silicon Valley. This was a bespoke training programme designed in a matter of weeks jointly with the company to their specification and involved training in software development and quality assurance. All 18 trainees recruited onto the programme were employed by HighWire at the end of the programme.

Case Study 6

Assured Skills – Fin Tru

FinTrU, a financial services company, approached Invest NI in March 2014 about the prospect of opening a centre of excellence in Belfast as an inward investment project. In partnership with Belfast Metropolitan College and Ulster University, a bespoke four week academy was quickly designed to meet the training needs of the company, with the first graduates commencing work in September 2014. A further three academies developed and run in association with FinTrU have resulted in 58 academy graduates securing employment with the company.



Growing such a talent pool will include stimulating and supporting the acquisition of coding skills from an early age.

- 5.22 Our overall ambition in taking forward these activities is to ensure that local businesses have access to a workforce which is amongst the most appropriately skilled internationally. The latest OECD International Survey of Adult Skills⁹ shows that our literacy and numeracy levels have been improving with an increasing proportion of our people performing at the higher standards. Nonetheless, more remains to be done if we are to become truly world class. By upskilling our workforce with even greater pace and by moving people up the skills ladder we will aim to move further up the international standings closing the gap with leading performers such as Japan, Finland, New Zealand and the Netherlands.

⁹ Organisation for Economic Co-operation and Development, 2013, *Survey of Adult Skills First Results: England and Northern Ireland (UK)*

ENHANCING EDUCATION, SKILLS & EMPLOYABILITY

Ambition

An economy built on talent, which delivers excellence and relevance in education and skills and where everyone is supported to achieve their full potential.

What do we want to achieve?

- An education system that provides our young people with the skills for life and work;
- Access to timely, relevant and comprehensive careers advice;
- Help for those furthest away from work so that they can take full advantage of employment opportunities and share in Northern Ireland's future prosperity;
- A high quality, efficient and responsive system for delivering professional and technical skills, with strong input from business in shaping provision;
- A pipeline of graduates who have the skills, knowledge and capabilities to excel;
- A strong and relevant supply of skills for economic growth.

What are we going to do?

We will:

- Radically reform careers advice on the employment opportunities available both now and in the future and work with industry to develop a new 'Business Ambassadors' scheme for local schools;
- Align education, skills and employability policies and funding models to ensure a skills pipeline, pathways and progression to underpin our economic ambition;
- Improve educational outcomes from an early age and, focusing on the statutory curriculum, raise standards in literacy, numeracy and digital capabilities;
- Strengthen the current and future talent pool of digital skills by building capacity and capability through the 'academy model', focusing initially in the areas of analytics and cyber security, as well as supporting and encouraging more coding academies for young people;
- Proactively support those furthest from the workforce, removing barriers, providing access to skills and encouraging participation;
- Increase the number of economically inactive claimants taking up formal programmes of support to develop and improve their skill levels and help them into work;
- Design and implement an "employability pipeline" model and establish an Employability Forum in each council area to better match supply and demand for work, through the Community Planning process;
- Strengthen collaboration across government and with industry, education and academia;
- Better prepare our young people to compete for work and to match them with employers' needs;
- Work with our further and higher education institutions, Invest NI and training providers to align skills provision with our economic priorities;
- Deliver new models of youth training and apprenticeships which facilitate progression up the skills ladder across a wide range of occupational areas;
- Support businesses wishing to upskill their workforce.

How will we know we are on target?

Indicator	What this looks like
% of school leavers achieving at level 2 or above including English and maths	Improved educational outcomes
% of schools found to be good or better	Improved quality of education
% of the workforce in employment qualified to levels 1+, 2+, 3+ and 4+; the proportion of graduates qualifying from a NI Higher Education Institution with an economically relevant STEM qualification; number of companies new to productivity skills development; % of companies confirming a positive productivity impact post project	Improved skills profile of the population
Economic inactivity rate excluding students	Reduced economic inactivity
Proportion of local graduates from local institutions in professional or management occupations or in further study six months after graduation	Increased proportion of graduates moving into employment or on to further study



PILLAR 3 - DRIVING INCLUSIVE, SUSTAINABLE GROWTH

5.23 We are committed to ensuring that all parts of Northern Ireland and all sections of our society share equally in the benefits of sustainable economic growth. We want to build a labour market that promotes opportunity across our cities, towns and rural areas.

5.24 Private sector businesses are the engine for growth. We want new business start-ups and enterprise to flourish right across Northern Ireland and will take steps to support people everywhere, including those who face particular barriers, so that they are equipped to access employment opportunities. Through the measures under our Education, Skills and Employability Pillar, we will work with our partners in the voluntary and community sectors and in local councils in all parts of Northern Ireland to assist people who need support to acquire the skills they need to access employment opportunities.

5.25 Our well-developed network of regional colleges, with campuses geographically spread across Northern Ireland, provides a valuable resource for people everywhere to secure the necessary skills and qualifications to enhance their employment prospects and progress

up the career ladder. Our colleges will continue to provide comprehensive support for those who may have special needs in pursuing their further education studies because of illness or disability. Colleges will also tailor their programmes and interventions in such areas as product development to meet the specific needs of businesses in their local areas to support sub-regional growth.

5.26 We want to ensure that manufacturing and services businesses operating in all regions and communities across Northern Ireland can prosper. We recognise the importance of cities as drivers of economic growth, as well as the value of our rural economy, with a third of our population living in rural areas. Ensuring that the benefits of city growth have wider positive impacts for businesses based across the region, that infrastructure allows ease of worker mobility and that the opportunities of economic corridor development are realised will be essential to ensure growth is shared across Northern Ireland. We will work closely with local councils, in their capacity as leaders of community planning, in their respective areas to promote social and economic

development at local level to support their efforts in ensuring that social and economic disadvantage is addressed wherever it exists and that those who need most help in accessing the labour market receive it.

- 5.27 The Fresh Start Agreement contains a specific commitment from the Executive to support the regional development work of the North West Gateway Initiative, which includes a focus on economic growth and investment to promote regional growth. We will continue to support the North West Gateway Initiative.
- 5.28 Northern Ireland has historically had a comparatively low business birth rate compared to the rest of the United Kingdom. In 2014, there were 4,805 new enterprises started in Northern Ireland. This equates to a business birth rate of 8.7% which is significantly below the overall United Kingdom birth rate of 13.7%. However, Northern Ireland's business birth rate compares favourably to places like Finland and Sweden. Our two year business survival rate stood at 68.9% for businesses started in 2012, and was higher than Estonia, Finland and Denmark. Our ambition is to become a more dynamic and enterprising economy, driving up the rate of new business

start-ups and creating an environment that actively fosters and supports entrepreneurship. We will work with local councils, universities, further education colleges and schools to provide support for entrepreneurs at all stages. In particular, we will work closely with local councils, as they implement their new responsibilities for enterprise activities, in encouraging new business start-ups, creating an enterprise support infrastructure and in tailoring actions to encourage young entrepreneurs and women in business. In recognition of its contribution to the provision of employment opportunities and economic activity in local communities, we will continue to provide support to the social enterprise sector.

- 5.29 Large firms matter in small advanced economies. They provide critical mass, scale and specialisation that might be difficult to generate otherwise. Growing our businesses is therefore a priority. The profile of businesses in Northern Ireland shows that the vast majority of businesses (89.2%) have less than nine employees, and only 2% of businesses have more than 50 employees.
- 5.30 Research from across Europe shows that the bulk of private sector employment growth is generated from a small group of high growth companies.



This aligns with our own research in Northern Ireland which illustrates the importance of their contribution in supporting employment, particularly during the prolonged recession. That research also highlighted the diverse nature of our high growth firms which are neither concentrated in any one particular sector, nor unduly concentrated in any one particular part of Northern Ireland. Some of the strongest performance of high growth firms has been observed in mid-Ulster, and in the west and south of Northern Ireland.

5.31 Encouraging more companies in Northern Ireland to scale up and/or achieve high growth is therefore a key element in creating more employment opportunities. Invest NI will increase its scaling initiative to identify and provide targeted support to greater numbers of firms with the highest growth potential to scale up, diversifying to include smaller companies with high growth potential.

5.32 Research highlights the importance of dense collaborative networks of businesses to the economic success of a region. Collaboration in clusters between businesses and associated institutions with common interests, such as universities, trade associations

and public authorities, can result in a more competitive, productive and innovative environment.

5.33 Agriculture and the agri-food sector is our largest employer and provides regional employment throughout Northern Ireland. We will work to improve the productivity and sustainably grow the sector by implementing key recommendations arising from the Going for Growth Strategy. We will ensure that the sector continues to innovate through closer collaboration between the Agri Food and Biosciences Institute (AFBI), our universities and private sector employers. We will work to upskill the agricultural sector and transfer key skills through the work of the College of Agriculture, Food and Rural Enterprise (CAFRE) both through the education of young people and the use of business development groups. The Department of Agriculture, Environment and Rural Affairs (DAERA)'s Rural Development Programme 2014-2020 is an important policy intervention aimed at supporting the sustainable growth of the agri-food sector, protecting and improving the natural environment and developing the rural economy. Its objectives are important in delivering economic growth and improving the competitiveness of Northern Ireland's rural areas, and its implementation will remain a priority.

5.34 If we are to make progress towards the goal of sustainable economic growth then we must embrace the concept of a circular economy, one that businesses have already started exploring today. A circular economy is an alternative to a traditional linear economy (make, use, dispose) in which we keep resources in use for as long as possible, extract the maximum value from them whilst in use, then recover and regenerate products and materials at the end of each service life.

5.35 The latest MATRIX report in Advanced Manufacturing Materials and Engineering emphasises how a circular economy can encourage innovation, deliver job creation and improve resource efficiency and material productivity. Reducing our reliance on imported goods can help businesses to remain competitive in the global market as well as assisting efforts to tackle climate change and protect valuable ecological assets.

5.36 To help develop the circular economy, the Department for the Economy will work with DAERA to develop a circular economy strategy for Northern Ireland.

5.37 It is important to create the right conditions that will allow businesses to grow and flourish, such as access to appropriate and affordable finance. Having a local banking sector that meets the needs of both consumers and businesses, and provides bank lending on a competitive basis to local Small and Medium sized Enterprises (SMEs), is vital to sustaining economic recovery.

In addition, venture capital and early stage equity investment play a vital role in helping many high growth, knowledge based firms secure the funding they need to start and grow, funding that is often not provided through traditional debt finance from banks.





5.38 Much progress has been made in recent years to improve the availability and affordability of finance for businesses in Northern Ireland but there remains more to be done. Research carried out by the Department for Enterprise, Trade and Investment in 2015 noted that the market in Northern Ireland for early stage and growth finance remains relatively small and faces a number of challenges. Invest NI has put in place a £170 million Access to Finance Initiative to ensure that companies with high growth potential are not held back because they cannot access finance. This suite of support is helping to ensure that SMEs at all stages of the development cycle have access to financial support through a range of equity investment and debt financed models.

5.39 Fundamental to supporting business growth is an effective regulatory regime, which maintains appropriate and necessary protections, while minimising the regulatory burden on business. We will progress a comprehensive regulatory reform programme which will contribute to supporting business growth and reducing red tape. Planning has a key role to play in delivering sustainable development and business growth. Much progress has been delivered through a recent comprehensive planning reform initiative. Planning policy and performance are subject to ongoing review in order to inform improvements to the newly established system.

DRIVING INCLUSIVE, SUSTAINABLE GROWTH

Ambition

An economy which delivers for people across all parts of Northern Ireland with more people in employment, more companies being established and more inward investment being attracted.

What do we want to achieve?

- A more enterprising region, with a culture of new business development;
- A higher level of business start-up activity with an emphasis on technology and high potential start ups across all areas;
- Growth in sectors and technologies where we have strengths and capabilities matched to national and international opportunities;
- Economic prosperity and opportunity across the region;
- An economy where an increasing number of businesses realise their high growth potential and scale up from small to medium sized companies employing more people in the process;
- An economy where entrepreneurship and enterprise is endemic and reflected in a growing status as a start-up region.

What are we going to do?

- Put in place a new Business Growth Initiative that helps high growth potential SMEs to scale up;
- Work with the small business sector in Northern Ireland to create a collaborative network for family owned businesses;
- Develop six “Enterprise Parks” across Northern Ireland with superfast broadband, quick and affordable electricity connections and a package of rates support;
- Create six SME digital hubs across Northern Ireland to support more companies engage in e-business and benefit from digitisation;
- Implement the key recommendations of the Going for Growth Strategy;
- Enhance the Northern Ireland entrepreneurship ecosystem in partnership with all key stakeholders to provide an infrastructure that supports entrepreneurs at each stage of their journey;
- Support a new region wide women’s entrepreneurship programme;
- Increase investment in innovation activities, particularly supporting open innovation and enhancing Catalyst Inc provision outside Belfast;
- Explore opportunities to replicate in other locations initiatives such as the new Innovation Factory in Belfast;
- Increase business cluster and innovation support across Northern Ireland;
- In partnership with local government, deliver a new programme for business start-up support;
- In conjunction with local councils and the Department for Communities, provide support for communities and individuals facing disadvantage;
- Increase opportunities and support for business collaboration regionally, nationally and internationally;
- Monitor access to both bank and non-bank finance, including seeking to increase the supply and demand of early stage and growth finance;
- Progress a new ‘Open for Business’ strategy aimed at comprehensive regulatory reform programme which will contribute to supporting business growth and reducing red tape;
- The Department for the Economy will work with the Department of Agriculture, Environment and Rural Affairs to develop a Circular Economy Strategy for Northern Ireland.

How will we know we are on target?

Indicator	What this looks like
Seasonally adjusted employment rate (16-64)	Increased proportion of people in work
A Better Jobs Index	Increased proportion of people working in better jobs
Employment rate by geographic area	Improved regional balance of economic prosperity through increased employment
The employment rate of 16-64 year olds by deprivation quartile	Increased economic opportunity for our most deprived communities
Jobs promoted via business start programme	Increased number of business start-ups
Annual turnover of businesses	Increased numbers of businesses of scale
Total early-stage entrepreneurial activity rate	Increased entrepreneurial activity

PILLAR 4 - SUCCEEDING IN GLOBAL MARKETS

5.40 Over the last two decades world trade has increased fourfold, world foreign direct investment has increased fivefold and world tourism has more than doubled. Economic success for Northern Ireland must embrace an outward facing approach. International engagement will be at the core of our economic policy, and this Pillar concentrates on three key aspects of that engagement.

Competing globally through trade

- 5.41 Having externally focused businesses thriving in international markets is crucial for generating strong economic outcomes in small economies like Northern Ireland. We need to trade beyond a domestic market that is too small to get the required business scale, specialisation and growth.
- 5.42 Exporting remains central to our Industrial Strategy and, with a changing economic landscape on the horizon as a result of exiting the European Union, it is vital that we are responsive and adaptable in the ways we seek to achieve our objectives on trading globally. We are already taking forward new approaches to drive improvements in our commercial success in overseas markets and this will continue and

evolve as uncertainty around the future diminishes, and as new trading opportunities emerge in the future.

Competing globally for investment

- 5.43 Foreign direct investment plays a vital role in small open economies in driving international expansion as well as contributing significantly to raising productivity and innovation activity. The international activity of these firms is a central part of strong external engagement by small advanced economies, and so competing effectively for inward investment is a key ambition for this Industrial Strategy.
- 5.44 Our inward investment proposition to the world will be coherent and integrated, built on talent, value and tax. We will integrate a lower rate of Corporation Tax into our enhanced proposition, building in a focus on current successful sectors and clusters and targeting new types of higher profit, higher value-added activities. Our proposition to inward investors will also be backed up by a targeted and responsive skills offering tailored through our Employer Support Programme.
- 5.45 Opportunities exist for attracting investment for major infrastructure

projects especially from places like China and the Middle East. We will work with local government and the private sector to develop a comprehensive infrastructure ‘pitch book’.

- 5.46 Northern Ireland benefits from a strong diaspora spread around the world. We will build on the success of Northern Irish Connections to utilise the power of people with an affinity to Northern Ireland to promote our region internationally.

Competing globally as a destination

- 5.47 With successful small economies being characterised by active international engagement it is important to understand how Northern Ireland is viewed and regarded by other countries. Developing an international focus on our key areas of economic potential, and actively promoting Northern Ireland as a good place to interact with economically, commercially and academically, will be crucial to our success in a highly competitive world.
- 5.48 As part of this we will launch and implement a new strategy to unlock the full potential of tourism in Northern Ireland and secure our place on the world map as a must-see destination. The strategy will place a clearer focus on the key markets of USA, Canada, Australia and mainland Europe, as well as focusing on the significant potential, as yet

unrealised, within the Republic of Ireland market. Our aim is for an internationally competitive tourism sector, based upon an inspiring visitor destination of which we are all proud, with an ambitious goal to double external revenue to £1 billion by 2025.

In doing so we will also contribute to other priorities by supporting local communities and creating regionally dispersed employment opportunities.

- 5.49 We will also exploit the increasing international orientation of our local educational institutions. Attracting international students and staff is an important aspect in developing the international reputation of our universities as another type of exporting activity. We will aim to build on the success we have achieved in this area in recent years. In addition, our further education colleges have become increasingly focused on the need to operate in an international arena and to equip students and staff with the skills required to work and compete in the global economy. We will work with our universities, further education colleges, boarding schools and English language training organisations to find new ways to increase enrolments of international students and the supply of educational services by our institutions overseas. This will include participation in trade missions, organising inward visits to Northern Ireland, exhibiting at international trade fairs and availing of support from in-market experts.

SUCCEEDING IN GLOBAL MARKETS

Ambition

Northern Ireland will be viewed across the world as the location of choice within the United Kingdom to do business from, and to do business with.

What do we want to achieve?

We want to see:

- Much greater commercial success for our companies in overseas markets;
- Northern Ireland becoming the top United Kingdom region for attracting foreign direct investment;
- Our tourism industry flourishing and delivering on its potential.

What are we going to do?

We will:

- Develop a new International Trade Plan for Northern Ireland to capitalise on recent export success and encourage more first time exporters;
- Enhance international awareness of Northern Ireland as a place to do business with;
- Lower corporation tax and promote Northern Ireland internationally as a top destination for inward investment within a strong United Kingdom proposition;
- Target new export-intensive and “profit centred” inward investment opportunities, building upon existing strengths within sectors and clusters;
- Prepare our skills pipeline for the needs of inward investors of the future;
- Increase support for export market diversification and additional support to target Great Britain and Republic of Ireland as first destination markets for our businesses;
- Work closely with the Department for International Trade to capitalise on emerging trading opportunities;
- Engage with emerging markets to secure market access for our agri-food products;
- Within a new Tourism Strategy, deliver events of scale that can enhance our international reputation;
- Develop our international position as a destination for learning, attracting the best academic staff and collaborating on research;
- Identify opportunities for exploiting education services as an export and a means to enhance our international reputation;
- Invest in experiences and products infrastructure that will give external visitors new reasons to holiday and stay longer in Northern Ireland;
- Under the rural tourism element of the Rural Development Programme, invest £10m in projects to increase the number of out-of-state visitors.

How will we know we are on target?

Indicator	What this looks like
Broad Economy Exports Measure	Growth in the value of sales by local businesses made outside Northern Ireland
Broad Economy Exports Measure	More local businesses selling outside Northern Ireland
Total spend by external visitors	Improved attractiveness as a destination
National Brand Index	Improved international reputation
Number of external businesses and employment in those businesses	Increased amount of Foreign Direct Investment in Northern Ireland

PILLAR 5 - BUILDING THE BEST ECONOMIC INFRASTRUCTURE

- 5.50 A region's infrastructure is both a key enabler and driver of economic growth. Investment in our infrastructure is a significant and long term commitment that lays the foundations of our future economic and social wellbeing and competitiveness. It requires long term planning and a sustained focus on delivery to meet the anticipated needs of society a generation ahead, as well as to tackle any shorter term issues which arise.
- 5.51 Investment in our infrastructure is vital to provide the physical and digital connectivity to allow Northern Ireland to compete on the global stage. That connectivity needs to be regionally balanced to ensure a level playing field of opportunity in terms of access to market and the ability to establish and grow businesses across all parts of Northern Ireland. It also needs to take account of the specific current and future economic needs of the region.
- 5.52 Importantly our approach to infrastructure needs to encompass both those elements which are publicly owned and run and those which are in the hands of the private sector. The part Government can properly play in these sectors will differ, but the need for an all-encompassing overall strategic approach across them is clear. The Industrial Strategy will align with the Investment Strategy for Northern Ireland, which will set out in more detail the Executive's priority areas for investment in the years ahead and is intended to assist Government and our private sector partners to plan ahead for the challenge of delivering an infrastructure investment programme across the region.
- 5.53 Energy is central to the quality of our lives and for the functioning of modern economies. The energy sector provides essential services along with employment, investment, infrastructure, technological advances, knowledge and skills, that can be highly beneficial to the wider economy in general.
- 5.54 Energy policy is at the core of economic, environmental and social activity. Determining energy policy is about making a realistic assessment of the energy challenges we face. There will always be tensions between pursuing economic, social and environmental objectives and the associated cost implications of each. This is the so-called "energy trilemma". The challenge for Northern Ireland,



as elsewhere, is balancing this trilemma to ensure security of supply, cost control and the achievement of affordable decarbonisation.

5.55 We will develop a new Energy Strategy that will seek to address both our short to medium term needs and also position us to meet the longer term challenges out to 2030 and beyond.

5.56 While telecoms remain a reserved responsibility, we will continue to work with the United Kingdom Government to deliver the Universal Service Obligation which is intended to give people the right

to request a broadband connection with speeds of 10Mbps, no matter where they live, within a reasonable cost threshold by 2020. We will also continue to intervene in the market where it can stimulate competition and choice from the industry. We will work to keep the regulatory environment aligned with other regions and international standards and norms. This recognises the importance that our telecoms infrastructure and services play in sustaining and growing our economy. Our goal is to ensure that there is no digital divide between rural and urban areas.

BUILDING THE BEST ECONOMIC INFRASTRUCTURE

Ambition

Northern Ireland will be recognised as having world class economic infrastructure supporting the growth of a modern, dynamic, connected and competitive economy.

What do we want to achieve?

- Investments in energy, water, transport and connections, digital communications, waste disposal networks and facilities, as key components for a competitive modern economy.
- Investment in key infrastructure projects to provide the physical and digital connectivity to enable our business to thrive globally;
- Investment both in better access to major population and business centres through our strategic road network in the West and in tackling significant drainage and flood risk issues in Belfast and other regional centres.

What are we going to do?

We will:

- Become Europe’s best connected region for broadband by 2030 by further extending broadband coverage through the Northern Ireland Broadband Improvement Project and Superfast Rollout Programme, and further new interventions that will enhance broadband speeds and mobile coverage across Northern Ireland as part of a new Digital Infrastructure Strategy;
- Invest in infrastructure to support the growth of Belfast as a regional driver and Londonderry as the driver of the North West;
- Enhance the security, sustainability and cost-efficiency of our energy supply;
- Develop a new Energy Strategy to meet Northern Ireland’s medium and longer term energy needs;
- Invest in the connections to our ports to enhance our access to global markets and the efficiency of our supply chains.

How will we know we are on target?

Indicator	What this looks like
<ul style="list-style-type: none"> • Proportion of NI premises with access to broadband services at speeds at or above 30Mbps 	<ul style="list-style-type: none"> • Improved internet connectivity
<ul style="list-style-type: none"> • % change in security of supply margin as measured by SONI’s Generation Capacity Statement 	<ul style="list-style-type: none"> • Enhanced security, sustainability and cost-efficiency of our energy supply

5



QUESTIONS

7 For each of the 5 Pillars for Growth:

- Do you agree with what we want to achieve;
- What we plan to do to deliver; and
- How we plan to measure progress?

MEASURING SUCCESS



Indicator Framework

- 6.1 We will monitor the progress of our Industrial Strategy to ensure that the actions we are taking will contribute to the outcomes that we wish to see and, ultimately, to our economic vision.
- 6.2 To remain consistent with the new draft Programme for Government framework we propose to adopt an outcomes based approach to the indicator framework for this Strategy. Through delivery of the key activities associated with each of our Pillars for Growth we have identified the key economic indicators in which we want to see improvements and which we believe will ultimately lead to improvements in our overall economic competitiveness.
- 6.3 The table below proposes the two high level goals and indicators, and the associated measures, that we will use. Our final Strategy will establish targets for those indicators, subject to the views of respondents in this consultation, and these will be set over three time horizons – 2020, 2025 and 2030.
- 6.4 Improving the competitiveness of the Northern Ireland economy, in all its facets, is our overarching aim. Economic competitiveness can be defined as ‘the set of institutions, policies and factors that determine the level of productivity of a country’. The level of productivity sets the prosperity that a particular economy can achieve, the return from investments and ultimately the rate of economic growth. In addition to our proposed framework of indicators and measures, in order to measure and assess the overall competitive position of our economy over time, we also propose to use the reports on competitiveness which will be published regularly by the Economic Advisory Group, built on the Competitiveness Scorecard which it first published in July 2016.



Figure 10 – Indicators

INDUSTRIAL STRATEGY INDICATORS					
2030 GOALS:		INDICATOR: PRIVATE SECTOR NI COMPOSITE INDEX - INCREASE THE SIZE OF THE ECONOMY			
ACCELERATING INNOVATION AND RESEARCH		ENHANCING EDUCATION, SKILLS AND EMPLOYABILITY		DRIVING INCLUSIVE, SUSTAINABLE GROWTH	
INDICATOR	WHAT THIS LOOKS LIKE	INDICATOR	WHAT THIS LOOKS LIKE	INDICATOR	
Rate of Innovation activity	Increased innovation in our economy	% of school leavers achieving at level 2 or above including English and maths	Improved educational outcomes	Seasonally adjusted employment rate (16 – 64)	
Northern Ireland Research and Development Survey	Increased total spend on Research and Development	Proportion of workforce in employment qualified to levels 1+, 2+, 3+ and 4+	Improved skills profile of the population	Interdepartmental business Register	
		Proportion of graduates qualifying from Northern Ireland Higher Education Institutions with an economically relevant STEM qualifications		Number of business £1m - £2m annual turnover	
		Number of Invest NI companies new to productivity improvement skills development	Number of business £100m - £1bn annual turnover	Number of business £2m - £10m annual turnover	
		% of Invest NI companies confirming a positive productivity impact, post project		Number of business £10m - £100m annual turnover	
Number of knowledge economy jobs	Increased employment in the knowledge economy	Proportion of local graduates from local institutions in professional or management occupations or in further study six months after graduation	Increased proportion of graduates moving into employment or on to further study.	Employment rate by geographic area	
Business start-up rates	Increased number of new businesses	Economic inactivity rate excluding students	Reduced economic inactivity	The employment rate of 16-64 year olds by deprivation quartile	
		% of schools found to be good or better	Improved the quality of education	Jobs promoted via business start programme	
				Total early-stage entrepreneurial activity rate	
				A Better Jobs Index [to be developed]	

INDUSTRIAL STRATEGY INDICATORS					
INDICATOR: COMPETITIVENESS SCORECARD - INCREASE COMPETITIVENESS AND WELLBEING					
DRIVING INCLUSIVE, SUSTAINABLE GROWTH		SUCCEEDING IN GLOBAL MARKETS		BUILDING THE BEST ECONOMIC INFRASTRUCTURE	
	WHAT THIS LOOKS LIKE	INDICATOR	WHAT THIS LOOKS LIKE	INDICATOR	WHAT THIS LOOKS LIKE
	Increased proportion of people in work	Broad Economy Exports Measure	Growth in the value of sales by local businesses made outside Northern Ireland	Proportion of NI premises with access to broadband services at speeds at or above 30Mbps	Improved internet connectivity
	Increased number of businesses of scale	Broad Economy Exports Measure	More local businesses selling outside Northern Ireland	% change in security of supply margin as measured by SONI's Generation Capacity Statement	Enhanced security, sustainability and cost-efficiency of our energy supply
	Improved regional balance of economic prosperity through increased employment	Number of external companies and employment in those firms	Increased amount of Foreign Direct Investment in Northern Ireland		
	Increased economic opportunity for our most deprived communities	National brand index	Improved international reputation		
	Increased the number of business start-ups	Total spend by external visitors	Improved attractiveness as a destination		
	Increased entrepreneurial activity				
	Increase the proportion of people working in better jobs				

RESPONDING TO THE CONSULTATION



7.1 This consultation document sets out our proposals to refocus our economic priorities up to 2030 and invites views on those proposals. The responses to this consultation, alongside the responses to consultation on the wider draft Programme for Government, will inform the development of a final Industrial Strategy.

Consultation

7.2 The public consultation on the Industrial Strategy is open for the next twelve weeks until 25th April 2017. Throughout this document a number of issues have been specifically highlighted for comment and feedback. A summary of these questions is included at the end of the document. However, contributions to the consultation should not be restricted to these issues, and all inputs will be welcomed.

A copy of the consultation document is available on the Department for the Economy's website:

<https://www.economy-ni.gov.uk/consultations/industrial-strategy>

You can respond to this consultation on-line at the Northern Ireland Hub – Citizen Space.

<https://consultations.nidirect.gov.uk/dfe/industrial-strategy-for-northern-ireland>

Responses to this consultation should be sent to:
NI-Economic-Strategy@economy-ni.gov.uk

Alternatively you can write to us at:

Strategic Policy Division
Department for the Economy
Room 124
Netherleigh
Massey Avenue
Belfast
BT4 2JP

Disclosure of information

- 7.3 The paragraphs below explain the policy on the Disclosure of Information and provide guidance on the legal position about any information given in response to this consultation.
- 7.4 The Freedom of Information Act provides the public with the right to request access to information held by public authorities including Government Departments. This includes information provided in response to consultations.
- 7.5 Following the end of the consultation, we will publish details of the responses received on the Department for the Economy website. Information you provided in your response, including personal information, could be published or disclosed under the Freedom of Information Act 2000.

Equality Screening

- 7.6 The draft Industrial Strategy has been subject to an equality screening exercise. The outcome of this screening exercise will shortly be published, as part of this consultation, and will be available on the dedicated Northern Ireland Economic Strategy Website.



SUMMARY OF QUESTIONS

- 1** Do you agree with the proposed vision for the Northern Ireland economy? In particular, do you agree with the twin emphasis on competitiveness and inclusiveness?
- 2** Do you agree with the proposed five Pillars for Growth?
- 3** Do you agree with the proposed economic milestones?
- 4** Do you agree with the importance of continuously benchmarking Northern Ireland against other small advanced economies?
- 5** Do you agree that the Industrial Strategy should now move towards a rebalancing focus?
- 6** Do you agree that our Industrial Strategy should support sectors where Northern Ireland is world class or where we have the potential to be world class?
- 7** For each of the 5 Pillars for Growth:
 - Do you agree with what we want to achieve;
 - What we plan to do to deliver; and
 - How we plan to measure progress?



Department for the
Economy
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January 2017