

COR 394/2000

THE OFFICE OF THE FIRST MINISTER AND DEPUTY FIRST MINISTER  
**URGENT**

(CORRESPONDENCE)

**Reference:** COR/394/2000

**Raised By:** Sir Reg Empey

**Subject:** COR394/00 - PROGRAMME FOR GOVERNMENT - PRIORITIES (X REF  
SUB336/00)

**ACTION REQUIRED**

Please provide advice and a draft reply for signature by the **PS/First Minister and PS/Deputy First Minister**.

**TO BE WITH PRIVATE OFFICE NO LATER THAN 13/09/2000 - Noon**

**Referred To:**

MR HAIRE (EPU)

**Date Referred:**

30/08/2000

**Copied To For Information**

PS/First Minister  
PS/Deputy First Minister  
PS/Mr Haughey  
PS/Mr Nesbitt  
PS/Mr Loughran  
Mr McCusker  
Mr May  
Mr McKervill  
Mr Campbell  
Mr Kerr  
Dr Gudgin  
Mr Larkin  
Mr Logue  
Mr Barrington  
Mr Ross  
Mr Larmour  
Mr Pringle  
Mrs Cosgrove  
Ms Magee

**Diane Smyth (Private Office)**

**THE OFFICE OF THE FIRST MINISTER AND DEPUTY FIRST MINISTER**

**Parliament Buildings    Tel: 028 9052 1383**

OFFICE OF THE FIRST MINISTER AND DEPUTY FIRST MINISTER

CORRESPONDENCE DUTY CLERK - CHECKLIST FOR  
INVITATIONS / CORRESPONDENCE / SUBMISSIONS / GENERAL MAIL

REF NUMBER: INV COR SUB/GM/ /00

PRIORITY: IMMEDIATE / URGENT / 24 HOURS / NOT URGENT

NAME / TITLE / ORGANISATION:

~~Maurice Morrison~~ Sir Reg Empey

SUBJECT MATTER:

Reg No Programme for Government - Priorities

INVITATION - DATE OF EVENT & VENUE:

DETAILS OF OTHER MINISTERS INVITED, CONTACT WITH ORGANISATION  
YES / NO:

HANDLING ARRANGEMENTS:

NAME OF OFFICIAL(S) / DEPARTMENT(S) CASE REFERRED TO:

Mr Hane

ADDITIONS TO THE BASIC CC LIST (see 26/5/00 note):

usual

TYPE OF REPLY - JOINT FMD/DFM / FMD / DFM / JOINT JMD / JMD / PPS / PS / APS /  
OTHER MINISTER(S) / OTHER, additional information in the box below:

ANY OTHER INFORMATION, relating to the case:

x ref sub 336.



Department of Enterprise, Trade and Investment  
for Northern Ireland

To: Dermot Nesbitt  
Denis Haughey

cc Executive Committee  
NI Permanent Secretaries  
PFG Drafting Group  
Mr Haire, EPU

From: Sir Reg Empey

**PROGRAMME FOR GOVERNMENT – PRIORITIES**

1. At our meeting on 27 July Ministers were asked to provide their suggestions for high level priority policy areas. I am writing to propose that the promotion of a Knowledge Based Economy should be one such priority.
2. One of the four aims developed by the PFG Drafting Group is “to increase sustainable economic growth in employment” and, at our meeting on 27 July, this received general support. I am convinced that, with this as an aim, it is essential that we have economic development in some form as a priority policy area. The very detailed policy analysis undertaken by the public/private steering group which led the Strategy 2010 exercise pointed clearly to Knowledge Based Economy as the cornerstone of future economic development policy. This analysis is in line with thinking in all developed countries. In the following paragraphs I explain what I mean by Knowledge Based Economy, what our response to it should be and which Departments should be involved.

Knowledge Based Economy

3. Knowledge based economies draw their competitive advantage from their ability to apply knowledge, skills and creativity to produce high value added goods and services. This applies to all areas of economic activity and not just to high technology industries. It is fundamentally different from competitive advantage that is based only on price or the costs of capital and

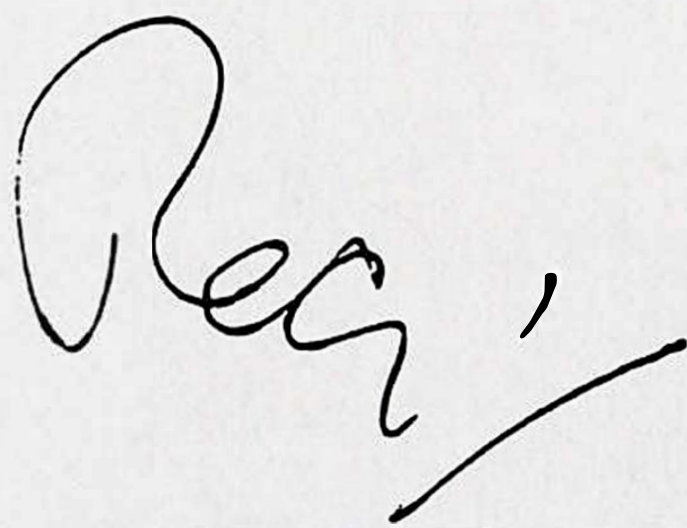
labour inputs. The strength of a knowledge based economy is that it can cope with the competitiveness pressures arising from increasing globalisation and accelerating technological change. All advanced economies are becoming increasingly knowledge-driven and Northern Ireland's ability to achieve higher future levels of economic growth will be directly linked to our ability to achieve knowledge based competitiveness. This must be a top priority of the Programme for Government.

4. New approaches will be required to achieve a knowledge based economy. Firms will succeed by developing distinctive capabilities and innovative products. Our interventions must provide the necessary infrastructure and environment that will help and encourage them to improve their capability to compete in this way. Priority action areas will be to:

- develop the skills base
- invest in education and improve business links
- Information Age Initiative
- invest in innovation and improve links between business and researchers
- encourage networking, internationally and locally, to share knowledge
- create global perspectives
- attract new knowledge through inward investment
- encourage existing companies to expand through improved knowledge based capabilities
- encouraging enterprise
- rural economic development
- creating appropriate economic development infrastructures – including DETI agencies and those for local economic development.

5. Several Departments have a vital role to play in creating this knowledge based economy. DETI can encourage the business community to respond. DHFETE and DE can encourage and improve lifelong education and skills development at higher, further, secondary and primary levels, in the workplace and create better links between these sectors and business needs. DoE, DARD and DCAL can make equally important contributions through their respective roles with local councils, rural development and the creative industries.

6. For these reasons I believe the Knowledge Based Economy must be one of our key priorities. At this stage I do not wish to suggest other priorities except that I believe a review of the Planning System is absolutely essential. This is clearly related to Knowledge Based Economy where rapid responses are essential but it goes much wider and I am sure I am not alone in being bombarded with complaints about planning delays.



**SIR REG EMPEY, MLA**

August 2000