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*n. b. P.M.
BHP
27/4*

Treasury Chambers, Parliament Street, SW1P 3AG

Stephen Leach Esq
Principal Private Secretary
Northern Ireland Office
Whitehall
London
SW1A 2AZ

26 April 1990

Dear Stephen

COMPETING IN THE 1990'S - THE KEY TO GROWTH

-Map

Barry Potter wrote to you on 23 April about this. This is to confirm that it is our understanding that any resource implications of the proposed shift to place greater emphasis on assisting indigenous Northern Ireland industry will be met from within the Northern Ireland block. On this basis we are content for the document to be published on 30 April.

I am copying this letter to Barry Potter.

Yours

Cathy E

MISS C EVANS
Private Secretary

IRELAND: Situation Pt 27

Pt 19/3408



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bc P.U.

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

23 April 1990

Dear Stephen,

"COMPETING IN THE 1990'S -THE KEY TO GROWTH"

The Prime Minister was grateful for your Secretary of State's minute of 19 April covering the proposed economic strategy document for Northern Ireland.

The Prime Minister is content for the document to be published, subject to confirmation that the expenditure implications are consistent with existing provision for the Northern Ireland programme.

I am copying this letter to Carys Evans (Chief Secretary's Office), to the Private Secretaries to members of E(A) and to Sonia Phippard (Sir Robin Butler's Office).

Yours,

Barry

Barry H. Potter

Stephen Leach, Esq.,
Northern Ireland Office.

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Prime Minister

CCFO

I am working with the Treasury that any expenditure implications are already taken into account in the NI programme business. Subject to that assurance, content for the document to be published?

PRIME MINISTER

BHP

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Yes

"COMPETING IN THE 1990's - THE KEY TO GROWTH"

Following the successful privatisation of Harland & Wolff and Shorts last year I have been considering what more we can do to create an environment in which the Northern Ireland economy can grow. This is particularly important since improvement in the economy can be expected to lead to wider benefits in the political and security fields. This makes it all the more essential that our economic development programmes are effective in stimulating the private sector and in tackling the particular economic problems which the Province faces.

Against this background, I have been reviewing the overall direction of our industrial development, training and employment, and enterprise programmes. This work has coincided with the publication of some important economic research which has highlighted the problems created by the rapid expansion of Northern Ireland's labour supply and has examined the effectiveness of previous policies. Against this background, and Northern Ireland's continuing high levels of unemployment (14.1% in March, seasonally adjusted, compared with 5.4% in Great Britain), I have concluded that, in addition to our continued drive to attract inward investment, we need to place a stronger emphasis on assisting firms in Northern Ireland to overcome those constraints which hold back their competitiveness and in particular on encouraging the upgrading of management training and workforce skills. In broad terms this requires a shift in our programmes, with a greater focus on improving skills.

With the creation of Northern Ireland's new Training and Employment Agency on 2 April, and the need for our two industrial development



agencies, the Industrial Development Board and the Local Enterprise Development Unit, to update their own strategies, I believe that it is appropriate to set out the framework within which all three agencies and the Department of Economic Development should operate. There is considerable interest in these matters and I therefore intend to spell out my approach in some detail. To achieve this we have produced the attached document which I intend to publish on 30 April.

IN ATTACHED FOLDER

I am copying this minute to members of E(A) for information and to Sir Robin Butler.

P.B.

PB

20 April 1990

PM/SOFS/2423

