



Department of

**Enterprise, Trade  
and Investment**

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# DETI Research Agenda 2012-15

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Economic Research  
June 2012

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Stimulating  
**Innovation,**  
**enterprise** and  
**competitiveness**

# FOREWORD



I am pleased to launch the new DETI Research Agenda 2012-15.

This publication sets out my department's commitment to producing high quality economic research on topical issues facing the local economy. Research is a vital part of policy development and implementation, providing the evidence base that is needed to support decision-making.

The previous DETI Research Agenda, which ran from 2008-11, was focused on global best practice in economic development for small open economies. This provided a thorough review of successful policies and programmes adopted in countries that have achieved high economic prosperity.

The findings from the previous Research Agenda projects, published in June 2011, have informed the development of the NI Economic Strategy, which includes a review of international best practice and is based on policy approaches that are proven to have worked elsewhere.

Our research programme for the next three years will be focused on informing the NI Economic Strategy as it is implemented. The top priorities of the Research Agenda will be on stimulating innovation, R&D and creativity, competing in the global economy and encouraging business growth.

Planned research will consider issues such as growing and diversifying the NI export base, developing support for innovation in its widest sense and helping to grow key sectors such as the social economy and tourism. These will sit alongside the recently completed research into how NI can better attract high value FDI.

The research being carried out by DETI will be supported by further work undertaken by my Economic Advisory Group (EAG), as well as MATRIX and Invest NI. I look forward to delivering the outputs from this body of work and engaging further with the local research community in the future.

**Arlene Foster MLA**  
**Minister of Enterprise, Trade and Investment**

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# Introduction

# 1

## ECONOMIC CONTEXT

The global economy continues to face significant challenges post-recession and the path of recovery remains uncertain. While developing economies are continuing to grow strongly, developed economies – in particular those in the European Union (EU) – are struggling to maintain economic growth alongside spending reductions necessary to address large budget deficits.

Northern Ireland, as a small open economy, has been severely impacted by the global downturn. Output has fallen across the private sector, particularly in construction, business & finance and manufacturing. There have been significant job losses as a result, which has led to a large increase in the number of persons claiming unemployment benefits. Specific issues arising from the recession are explored in greater depth in the evidence slide pack on the Economic Strategy website<sup>1</sup>.

While the ongoing impact of the downturn remains a key concern for the NI Executive, there are a number of longer term issues

facing Northern Ireland (NI) which have resulted in a less prosperous and wealthy economy. It is these areas, in particular, where research can significantly add to the evidence base and help inform policy development going forward.

Living standards in NI are around 80% of the UK average and have remained at this level for more than a decade. This results in much lower earnings in NI than elsewhere in the UK. Our private sector is less productive, partly due to an over-reliance on lower value activities, and the public sector is larger than any other UK region. There are also long-standing labour market issues that need to be addressed, such as high economic inactivity and a low employment rate.

Other important issues include:

- Although local companies have become more outward-looking, the **level of exports** from NI have not increased in line with global growth and contribute much less to the economy than in other small open economies;

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<sup>1</sup> [NI Economic Strategy, Evidence Base](#)

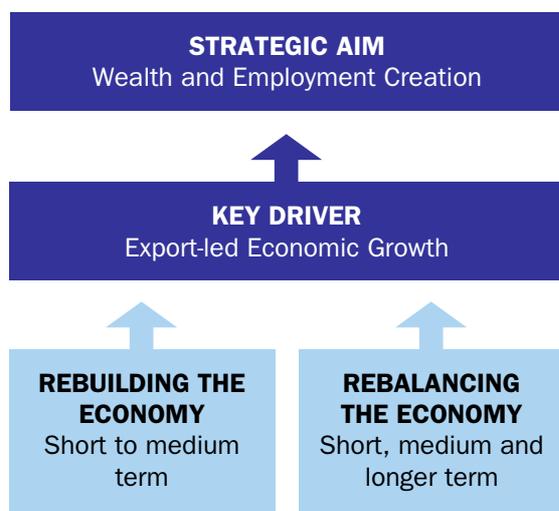
- The large majority of export sales from local companies have been mainly **focused on a small number of export markets** such as the ROI, EU and North America where growth is much lower than in developing economies;
- While there has been **significant Foreign Direct Investment (FDI)** into NI over the past decade, other competitors with low Corporation Tax have been able to attract much higher levels of investment;
- The **quality and salary levels of FDI jobs** into NI have been mixed, with the many high value investments being offset by a number of low value projects;
- Although **Business Expenditure on R&D (BERD)** has increased in recent years to match the UK average, the UK is a poor performer internationally and NI lags behind other more advanced economies such as Finland, Sweden and Singapore;
- Despite the consistent growth in R&D expenditure by Small and Medium Enterprises (SMEs) over the past decade, overall **BERD in NI is heavily reliant** on a small number of large companies;
- Performance on **wider innovation** has been weak, with overall innovation activity lower than any other part of the United Kingdom (UK) and few patent applications;
- NI is an **SME-dominated economy**, lacking the critical mass of large firms that tend to drive high value innovation and exports;
- **Business start-ups** in NI are low compared with elsewhere in the UK, and the recession has made it much more difficult for local SMEs to gain access to finance for business growth;
- The level of **management skills** in NI companies is similar to Great Britain (GB) and the Republic of Ireland (ROI), yet is significantly below the top performers in the United States, Germany and Sweden; and
- The number of **tourism** visits to NI has been declining since 2008 and the sector contributes less to the economy than in England, Scotland and Wales.

## NI ECONOMIC STRATEGY

The NI Economic Strategy, published in March 2012, provides the overall policy context for this Research Agenda. As shown in Figure 1, the Strategy has identified a twin approach of rebuilding the economy over the short to medium term and rebalancing the economy throughout this period and over the longer term.

NI Economic Strategy Framework

**Figure 1**



A number of key performance measures are included in the Strategy, with the overarching target being to:

**“Improve economic competitiveness in Northern Ireland”**

To achieve this, the Economic Strategy has identified a number of underpinning themes for the twin goals of rebuilding and rebalancing the economy, as well as a number of cross-cutting themes. These are shown in Table 1.

Underpinning Themes in Economic Strategy

**Table 1**

<b>Rebalancing the Economy</b>
<ul style="list-style-type: none"> <li>• Stimulating innovation, R&amp;D and creativity</li> </ul>
<ul style="list-style-type: none"> <li>• Improving employability and the level, relevance and use of skills</li> </ul>
<ul style="list-style-type: none"> <li>• Competing in the global economy</li> </ul>
<ul style="list-style-type: none"> <li>• Encouraging business growth</li> </ul>
<ul style="list-style-type: none"> <li>• Developing economic infrastructure</li> </ul>
<b>Rebuilding the Economy</b>
<ul style="list-style-type: none"> <li>• Improving employment opportunities and employability</li> </ul>
<ul style="list-style-type: none"> <li>• Promoting employment</li> </ul>
<b>Cross Cutting Themes</b>
<ul style="list-style-type: none"> <li>• Ensuring equality</li> </ul>
<ul style="list-style-type: none"> <li>• Promoting sustainable development</li> </ul>
<ul style="list-style-type: none"> <li>• Balanced sub-regional growth</li> </ul>

Further information on the NI Economic Strategy and associated action plans can be found on the relevant section of the NI Executive website<sup>2</sup>.

<sup>2</sup> [NI Executive, NI Economic Strategy](#)

# Completed Research

## 2

### RESEARCH AGENDA 2008-11

The previous DETI Research Agenda was published in June 2008. It was focused on identifying international best practice policies and programmes relating to productivity and employment growth in successful small open economies.

Four research projects were taken forward under this research programme:

- Building Economic Competitiveness: Lessons from Small Peripheral European Economies
- Productivity, Innovation and Competitiveness in Small Open Economies
- The Changing Face of Innovation Policy: Implications for Northern Ireland
- Promoting Investment and Increasing Employment among the Economically Inactive: A Review of Best Practice

The completed research projects, available on the DETI website<sup>3</sup>, provide a large information base on how economies such as Finland, Singapore, the Republic of Ireland, Sweden,

New Zealand and Estonia achieved economic success despite their relatively small domestic market. A short overview of success factors identified in the research is outlined in Table 2.

Overview of International Best Practice  
**Table 2**

Finland
• Developed an advanced innovation system through a long term focus on innovation and R&D
• High-level leadership for innovation policy reinforces its importance for economy
• Significant investment in innovation agencies and research institutes
• R&D support mainly aimed at SMEs and collaborative research projects
• Built globally-competitive industry around an innovative indigenous anchor firm
• Strong focus on exports markets

<sup>3</sup> [DETI, Economic Research](#)

### Singapore

- Outward-focused economic policy based on FDI and exports
- Low Corporation Tax used to attract key foreign companies and headquarters
- Large scale investment in innovation and R&D to position the economy as an international hub for research
- Focused on high value sectors identified as having greatest economic impact
- Highly-skilled economic development agencies with business mentality, autonomy and wide range of powers

### Republic of Ireland

- Outward-focused economic policy based on FDI and exports
- Low Corporation Tax used to attract key foreign companies and headquarters
- Proactive and strategic approach to attracting high value FDI companies
- Investments in skills and infrastructure over decades to ensure economy was attractive to investors
- Recent focus on investing in innovation and R&D to become a more knowledge-based economy

### Sweden

- Developed indigenous companies into successful global multi-nationals through concentrating export markets
- Policy focus on innovation with greater level of R&D spend per capita than any other country
- Government now supports innovation ecosystem rather than providing direct R&D grants
- Industrial competitiveness built on a base of high educational standards

### New Zealand

- Turned agri-food into a high value sector by removing grants for weakest firms and focusing on exports and innovation
- Built a globally-competitive sector around a key indigenous anchor firm
- Focused on emerging high-technology niche areas where have strengths
- Significant investment in commercially-focused research institutes

### Estonia

- Outward-focused economic policy based on FDI and exports
- Low Corporation Tax used to attract FDI alongside low wages
- Innovation policy approach based on best practice from Sweden and Finland
- Young and ambitious leaders took risks and implemented rapid changes

The research has formed a key part of the evidence base in developing the NI Economic Strategy. It has provided information on global best practice which has been incorporated in the Strategy (Chapter 3) and informed the development of the strategic framework. A summary of key lessons<sup>4</sup> and successful policies and programmes<sup>5</sup> identified in the research is available on the Economic Strategy website.

In addition, two research projects were carried out separately from the Research Agenda 2008-11 framework and are detailed overleaf.

<sup>4</sup> [NI Economic Strategy, Best Practice Paper](#)

<sup>5</sup> [NI Economic Strategy, Best Practice Annex](#)

## **ATTRACTING HIGH VALUE FDI**

Research has been undertaken to assess the future prospects for improving the quality of inward investment to NI. This study was carried by DETI with input from Invest NI, the Department for Finance and Personnel (DFP) and the Department for Employment and Learning (DEL). The findings of the research will be published during Summer 2012.

FDI is shown in the global best practice studies to have been a key driver of success in economies such as Singapore, ROI and Estonia. While NI has performed well at attracting FDI jobs, the Independent Review of Economic Policy (IREP) highlighted concerns over the quality of this investment and recommended that “a study should be undertaken to determine how NI can rapidly shift the pattern of inward investment towards higher value sectors”. Key findings from this research include:

- NI has attracted a significant amount of high value FDI but has also attracted many jobs in very low value areas;
- While the core focus for FDI will remain the US market and software & IT, growth opportunities exist for FDI in renewables and from emerging economies;
- Reducing Corporation Tax to 12.5% could have a significant impact on the volume of FDI jobs attracted to NI;
- A strong research base exists in NI which can be further utilised to attract and embed research-focused FDI; and
- High value FDI opportunities for NI exist in financial services, software & IT, renewables, aerospace, biotechnology and business & professional services.

## **MANAGERIAL SKILLS**

Work to benchmark the level of management skills in NI and ROI was taken forward by DETI alongside DEL, Invest NI, Forfás and InterTradeIreland. The research was commissioned in 2008 and published in June 2009<sup>6</sup>.

Despite the positive impact that management practices can have on company productivity, limited work had been undertaken in NI to understand how local companies perform on managerial skills relative to those in Great Britain and elsewhere. To strengthen the evidence base in this area, an internationally comparable methodology developed by the London School of Economics (LSE) was employed for NI and ROI. Key findings from the research were:

- Both NI and ROI lie below the global average in management practices and are significantly below the top performing countries;
- Structural factors, such as firm size, ownership, skills levels, sector structure and competition, partly explain the gap in management practices;
- A relatively high proportion of firms with poor management practices drag down the overall average in NI and ROI; and
- Closing the management practice gap in NI could have substantial economic benefits of around £150m-£300m in additional GVA.

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<sup>6</sup> [DETI, Management Matters in NI and ROI](#)

# Planned Research

# 3

## **RESEARCH AGENDA 2012-15**

Research plays a key role in providing an evidence base for the development and implementation of economic policy. DETI operates a three-year Research Agenda to outline the research priorities of the department that will be progressed. This programme covers the period 2012-15.

The overarching aim of the DETI Research Agenda 2012-15 is to:

**“Deliver economic research projects that will help to strengthen the evidence base in taking forward the NI Economic Strategy”**

To achieve this aim, projects undertaken in this Research Agenda will be consistent with the themes underpinning the Economic Strategy framework. It is, however, recognised that some of these areas are more relevant for other departments in NI. As a result, DETI research will mainly focus on themes relating to industrial development, namely:

- Stimulating innovation, R&D and creativity;
- Competing in the global economy; and

- Encouraging business growth.

While these three areas will be the main focus of the Research Agenda 2012-15, DETI also intends to take forward research relevant to other themes in the Strategy which are also outlined in this document. Other departments will, of course, have their own research programme to develop the evidence base for their respective areas of responsibility.

The projects contained in this Research Agenda are based on policy needs within DETI at the time of publishing. It is recognised, however, that new research needs may emerge over the three-year period and, conversely, some projects may no longer be considered a priority. This document should therefore be seen as a guide to research the Department intends to take forward and not a definitive list of projects.

In order to ensure a flexible approach that best meets the research needs of the NI Economic Strategy, DETI will publish an annual research update outlining the priority projects for the year ahead. This will include an update on

research that is already underway and will incorporate any changes to the planned programme.

Delivery of the DETI Research Agenda 2012-15 will come through a combination of internal analysis and externally-commissioned research. External projects will typically be advertised on the Central Procurement Directorate (CPD) e-sourcing NI portal<sup>7</sup> and through other appropriate mediums.

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<sup>7</sup> <http://www.dfpni.gov.uk/cpd>

## **INNOVATION, R&D AND CREATIVITY**

Innovation is central to growing the local economy and raising company productivity. NI needs to become more innovative to develop into an advanced, knowledge-based economy and allow our firms to be more competitive in international markets.

The research programme in this area will build on the findings of the previous Research Agenda and also earlier studies carried out by DETI into both R&D and service sector innovation. Key research projects the Department intends to take forward are:

### **NI Innovation Index**

NESTA published the Innovation Index<sup>8</sup> in 2009 to provide a basis for better policy making about innovation by developing and deploying significantly improved measures of innovation. The index provides an estimate of the:

- Company investment in intangible innovation assets such as R&D, training, design and software;
- Contribution of innovation to economic output;
- Drivers of business innovation; and
- Wider conditions for innovation in the economy.

DETI will seek to develop an Innovation Index for NI where it can be replicated on a regional basis and, if possible, provide comparisons with other parts of the UK.

### **Developing an Open Innovation Centre**

The projects completed under the Research Agenda 2008-11 highlighted a number of successful innovation institutes across the world. While some of these were large-scale public research institutes (such as VTT) aimed at developing research capacity, others were

involved in supporting open innovation and collaboration.

The Economic Strategy has identified that the NI Science Park (NISP) could further evolve into an open innovation centre that could create the environment where partnerships and collaboration can flourish across sectors. DETI therefore plans research to:

- Explore the concept of open innovation and identify best practice organisations that support this;
- Review current innovation infrastructure in place to support open innovation and collaboration in NI; and
- Highlight the benefits for NI should it seek to establish an open innovation centre and suggest how this could be developed.

### **Absorptive Capacity**

Absorptive capacity is the ability of businesses to identify and exploit new information for their commercial benefit. While the NI Executive has committed to significant investment in innovation, R&D and creativity over the coming years, the benefits from this will not be fully realised unless companies have sufficient absorptive capacity. This research would seek to:

- Explore the concept of absorptive capacity and its key components;
- Benchmark the absorptive capacity of companies in NI and identify areas of weakness; and
- Review support currently available in NI and suggest if new policy instruments are needed to build absorptive capacity.

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<sup>8</sup> [NESTA, Innovation Index 2009](#)

## **COMPETING IN THE GLOBAL ECONOMY**

As a small open economy with a limited domestic market, competing in the global economy is essential for NI. To achieve the export-led economic growth outlined in the Economic Strategy, local firms must have the capability and support to compete in export markets and foreign-owned firms which are focused on exports also need to be attracted.

DETI's research programme under this theme will focus on the two key drivers of exports and FDI. The key research projects expected to be delivered are:

### **Measuring NI Exports**

In order to track and measure the export performance of the local economy, regular and timely statistics on export sales need to be available. NI currently has very detailed coverage of exports in manufacturing and a small number of service sectors. DETI therefore intends to:

- Build on existing surveys to ascertain what export activity is taking place that is not being captured at present;
- Look at ways to ensure that sectors found to be exporting but not covered in existing surveys are measured; and
- Consider options to develop a regular publication that estimates the overall level of exports in the NI economy.

### **Growing and Diversifying the Export Base**

At present, NI exports are heavily focused on a small number of markets – the ROI, Europe and North America. This leaves local exporters exposed to downturns in these economies as seen in recent years. While there remains significant potential to grow exports in current markets, local firms should also look to exploit the fast growing developing economies such as Brazil, Russia, India and China (BRIC) where

demand continues to increase. The planned research will seek to:

- Review the current and future demand for exports in fast growing BRIC economies and the key sub-sectors driving this;
- Assess the competitive position for NI to export into these markets and identify potential key areas for growth; and
- Highlight any existing barriers for NI firms to develop in these markets and what additional support may be needed.

### **Sub-Regional Competitiveness for FDI**

DETI has carried out significant research into attracting FDI to NI under previous Research Agendas. However, these projects did not consider the sub-regional dimension of FDI within NI. Given that balanced sub-regional growth is a cross-cutting theme identified in the Economic Strategy, the proposed research would:

- Assess the competitiveness of sub-regions within NI across key areas which FDI firms consider when investing;
- Consider how well aligned the proposition of sub-regions is with the requirements of key FDI sub-sectors; and
- Suggest areas of development which would increase the competitiveness of NI sub-regions for FDI.

## **ENCOURAGING BUSINESS GROWTH**

NI is an economy dominated by SMEs which contribute more to output than any other part of the UK. Ensuring that the conditions are in place for local firms to grow across a range of sectors is therefore vital for the success of the NI economy going forward.

DETI research under this theme will cut across a range of areas such as access to finance, tourism and the social economy. Projects planned to be taken forward are:

### **Mapping the Third Sector**

The social economy has been identified as a priority sector in the Economic Strategy. Social enterprises are closely related to community and voluntary organisations which, together, make up the wider third sector. In order to provide a stronger evidence base for developing this sector, DETI will take forward joint work alongside DSD to:

- Map the overall size, scale and economic contribution of the third sector in NI; and
- Assess how social enterprises can be developed into larger, more established companies with export potential; and
- Consider how community and voluntary organisations can be encouraged to grow into social enterprises.

### **Research into the Effectiveness of SFA**

Selective Financial Assistance (SFA) is the main support programme used by Invest NI to assist companies to grow in NI. The ability of Invest NI to utilise this support going forward is dependent on uncertain regional aid limits post-2013. In order to better understand the impact that SFA has had since the previous study up to 2003/04, DETI plans research to:

- Estimate the impact that SFA has had on company performance since 2003/04 in terms of output, employment and productivity;

- Provide an overall assessment of the value for money of SFA taking into account additionality and deadweight; and
- Estimate the impact that current and potential future reductions in regional aid limits could have on the effectiveness of SFA in growing the NI economy.

### **Financing the Growth of SMEs**

Access to finance is a key issue for local companies in the aftermath of the downturn. The success rate of SMEs for bank loan applications experienced a significant fall between 2007 and 2010<sup>9</sup>, and DETI plans to carry out research to:

- Review issues faced elsewhere relating to SME finance and identify innovative measures put in place to address this;
- Utilise existing survey data to better understand the characteristics of local SMEs that have been both successful and unsuccessful in obtaining finance; and
- Consult with local stakeholders to identify specific issues for SME financing in NI and identify measures needed to address this.

### **Analysis of Invest NI Client Companies**

Invest NI is currently planning to service a wider local business base by moving away from client companies and towards a tiered support structure available to all businesses. To better understand the profile of client companies that have received the majority of Invest NI support to date, DETI intends to:

- Utilise the new matched database of Invest NI client companies with DETI economic surveys;
- Profile the economic performance of key client companies in the context of support directed towards them; and
- Identify high-performing and fast-growing client companies in recent years.

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<sup>9</sup> [NISRA, Access to Finance 2007 and 2010](#)

### **Jobs Impact of Tourism Strategy**

Tourism has been identified as a key sector for NI in the Economic Strategy. The draft Tourism Strategy for NI<sup>10</sup> (TSNI) outlines ambitious plans to increase visitor numbers and revenue to NI, which will help to support increases in the number of jobs in the sector. DETI intends to carry out research that will:

- Assess the impact that the TSNI will have on job creation in the NI economy up to 2020;
- Identify the sectors and activities where this increased job creation will occur; and
- Estimate the wider economic impact that these job increases could have on the NI economy.

### **NI Tourism Satellite Accounts**

Tourism Satellite Accounts (TSAs) are used to estimate the economic impact that tourist expenditure and tourism businesses have on the economy. The previous set of TSAs for NI relates to 2005 data<sup>11</sup> and was published in 2008. DETI therefore intends to:

- Develop a fully updated set of Tourism Satellite Accounts for NI;
- Estimate the total direct and indirect economic impact of the tourism sector in terms of sales, output and jobs; and
- Provide a comparison of the economic contribution of the NI tourism sector against elsewhere in the UK and the ROI.

### **Cost of Doing Business in NI**

Costs are a key component of how competitive local firms are in export markets. A study was carried out by the Economic Research Institute of Northern Ireland (ERINI) in 2006 to assess the relative levels of business costs in NI, but there has been considerable change in many prices since then. DETI will seek to update this research to:

- Estimate the type of costs faced by companies and their relative importance across a range of sectors;
- Benchmark business costs in NI against elsewhere in the UK and the ROI; and
- Identify areas where NI companies face higher costs and suggest how these could be reduced going forward.

### **Cost of Workplace Accidents and Ill-Health**

Workplace injuries and ill-health impose significant costs on employers, individuals and the government. The Health and Safety Executive (HSE) has estimated that the total costs associated with workplace injuries and ill-health in Great Britain was around £14billion in 2009/10. This study, however, did not include the costs for NI, therefore DETI intends to:

- Utilise the data on average costs included in the HSE report for Great Britain to assess the costs for NI;
- Make adjustments (if appropriate) to GB costs to more closely reflect the NI situation; and
- Provide an overall assessment of the costs to NI of workplace accidents and ill-health to employers, individuals and government.

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<sup>10</sup> [DETI, Draft Tourism Strategy for NI to 2020](#)

<sup>11</sup> [NITB/DETI, Tourism in the NI Economy](#)

## **OTHER RESEARCH THEMES**

The main focus of DETI research will be on the three themes outlined thus far in this Agenda. However, DETI also has an interest in carrying out research in areas relevant for other themes in the Economic Strategy.

Proposed DETI research in other themes will relate to energy infrastructure, skills and economic disadvantage. Potential projects to be carried out are:

### **Developing NI Energy Statistics**

At present, there is no comprehensive source of data on energy for NI. This means that information must be gathered from a range of sources on an ad-hoc basis to provide the necessary information for policy development and monitoring. DETI therefore intends to:

- Review existing sources of data for areas such as power generation, electricity, gas, oil, coal, biomass and renewables;
- Identify what energy information can be gathered from existing sources and where survey development may be needed; and
- Consider options for producing a regular and comprehensive set of energy statistics for NI.

### **Impact of Smart Grid on Energy Costs**

A smart grid is an emerging technology which provides two-way digital communication between electricity suppliers and consumers. The aim of this is to gather 'live' information regarding electricity usage and can therefore help with improving electricity efficiency and reliability. This would be a significant change to the current NI energy infrastructure, and DETI would look to:

- Examine the wider costs and benefits of implementing a smart grid in NI;
- Assess the benefits to the NI economy and the impact of a smart grid on supply chain businesses; and

- Consider the impact on consumers from the implementation of a smart grid in NI.

### **Invest NI Support for Areas of Economic Disadvantage**

Invest NI delivers a wide range of support to companies throughout NI, and has a target to ensure that a proportion of investment projects are close to areas of economic disadvantage which have high levels of poverty. DETI is keen to explore this further and is planning research to:

- Plot the specific location of Invest NI support across a range of interventions with a focus on disadvantaged areas;
- Assess the alignment of investments with the economic characteristics of the areas where projects were located; and
- Review the locations where Invest NI has land acquired for future FDI to identify which are close to disadvantaged areas.

### **Building Management Skills in Companies**

The Economic Strategy highlights the need for NI to improve its performance on management and leadership skills, where NI lags behind top performing economies. To follow up on the research carried out into managerial skills in 2009, DETI has identified research to:

- Identify what management practices are in place in firms which demonstrate best practice from top performing economies;
- Carry out case studies of management practices currently in place in a range of local companies; and
- Highlight if additional policy measures are needed to promote best practice management and leadership to firms.

## **NON-DETI LED RESEARCH**

The projects identified in this Research Agenda are intended to be either carried out internally or commissioned externally by the department. However, DETI will also have an interest in research taken forward by its NDPBs and other affiliated bodies as outlined below:

### **Invest NI**

Invest NI carries out a variety of internal research to inform its strategy in attracting FDI firms and growing local business sectors. In addition to this, DETI will also be involved in a joint research project with Invest NI seeking to better understand the employment benefits from investment projects by aiming to:

- Develop a profile of the number and type of persons employed across a range of investment projects;
- Identify how many persons gaining jobs from investment projects were from the unemployed or inactive; and
- For those already employed before getting a job in an investment project, assess the wage premium from moving employers.

### **Economic Advisory Group**

The Economic Advisory Group (EAG) is an independent expert group that provides economic advice to the DETI Minister. To inform this advice, EAG carries out research into policy relevant areas and will contribute to delivering some projects listed in this Agenda. One of the initial areas EAG will focus on is economic competitiveness – the overarching economic aim of the Economic Strategy. As part of this, EAG intends to:

- Develop a comprehensive competitiveness index for NI based on an existing and recognised methodology;
- Assess NI's competitiveness relative to other regional and/or national economies; and

- Provide annual updates going forward to track progress and highlight changes in competitiveness.

### **MATRIX**

MATRIX is the NI science and industry panel formed to provide expert advice on the commercial exploitation of R&D and science & technology to DETI. Research carried out by MATRIX to date includes an NI technology capability study and sectoral studies into life & health sciences, ICT, agri-food, advanced materials, advanced engineering and telecoms. The future plans of MATRIX include research into:

- The future of advanced manufacturing sectors in NI as part of a larger UK-wide foresight study;
- Assessing existing NI capabilities and niche market opportunities in the sustainable energy sector; and
- The management of Intellectual Property (IP) and knowledge across business, government and academia.

To be added to the distribution list for updates on DETI research projects please contact Analytical Services Unit

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