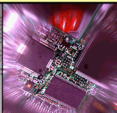




**ULSTER UNIONIST
MINI-MANIFESTO MAY 2005**

Agenda for JOBS & GROWTH



Ulster Unionists
www.uup.org





Agenda for Jobs & Growth: Ulster Unionist Pledges...

What Government can Do:

Governments cannot create jobs – businesses do. But Government has a responsibility to create an environment that empowers our businesses to compete and succeed. Ulster Unionists do not advocate the failed 'subsidy economics' of past Direct Rule Administrations – but nor do we believe that Government has no role in promoting enterprise. 21st century Government has a role in promoting a knowledge-based economy through public investments in research, education, and skill-building.

The proposed change to EU state aid rules after 2006 would have grave implications for the Northern Ireland economy in general and for the role of Invest NI in particular. Ulster Unionists will strongly advocate that the challenges facing the Northern Ireland economy demand that selective financial assistance to promote enterprise is permitted in this region. Invest NI must fulfil its potential as a flexible and dynamic economic development organisation, working in partnership with the private sector, and responsive to the needs of business – in particular SMEs. For this to happen, Invest NI's budget within DETI must be ring-fenced and not reduced.

Freedom from Red Tape:

The burden of regulation is one of the main barriers to growth. Successive governments over decades have stated their intention to reduce the burden of regulation on businesses – but the red-tape has continually increased. Ulster Unionists support the creation of UK-wide Regulatory Assessment Agency to 'competition proof' all proposed regulations. 'Competition proofing' would determine the cost to business and indicate if the proposed regulation provides the most cost-effective solution.

According to Treasury estimates, half of all new legislation with a significant impact on business derives from EU law. Ulster Unionists will continue to oppose the practice of gold-plating EU Regulations and Directives by UK Departments. Our proposal of 'competition proofing' would include implementation of EU legislation, to ensure that UK business is not put at a competitive disadvantage within the Single Market. There are presently 16 000 pages of EU laws applying to businesses. Ulster Unionists will strongly support initiatives by the UK Parliament to review and simplify this.

The cost of doing Business:

The competitive disadvantages faced by Northern Ireland's manufacturing sector militate strongly against imposing an additional tax burden through the removal of industrial de-rating. The increased costs and consequent job losses to a sector that employs almost 1 in 4 of all private sector employees in Northern Ireland would be a serious blow to our regional economy. Ulster Unionists will oppose the removal of industrial de-rating. Northern Ireland's energy costs remain unacceptably high, with some businesses paying 0-70% more than similar firms on the mainland. Ulster Unionists believe that a fully competitive energy market delivering increased choice and lower prices, must be the priority for a Northern Ireland energy strategy.

The continued attempts by some EU Member States to promote tax-harmonisation represents a threat to UK businesses. Ulster Unionists will oppose any proposals to harmonise taxes across the EU – which would result in higher taxes for British firms, undermining their ability to compete in the global market. Ulster Unionists will also oppose UK membership of the Euro, not least because Euro membership would in all likelihood entail fiscal and tax harmonisation.

Investing in Skills:

44% of Northern Ireland businesses find it difficult to recruit skilled staff. According to a recent business survey, this skills shortage is the single biggest competitive pressure on our businesses. Addressing this is vital to the dynamism and success of the Northern Ireland economy.

Ulster Unionists would put a new emphasis on the basic skills – writing, reading and counting – throughout education, responding to employers' concerns about the need for functional literacy and numeracy to be central to the curriculum. Since the late-1990s there has only been a marginal increase in the number of students gaining A Level passes in Maths and Science – and there has been no increase in the proportion of Northern Ireland Higher Education students graduating in Maths and Science subjects. These trends, unless reversed, will have consequences for the Northern Ireland economy's capacity for innovation. Ulster Unionists propose a strategy of incentives to increase Maths and Science uptake in Higher Education, and a careers strategy that promotes Maths and Science uptake at A Level.

Further Education has a key role to play in supporting economic development and delivering a skilled workforce. Ulster Unionists will maintain investment in the sector, and ensure a flexible relationship with employers to deliver the skills required by businesses.

Innovation for Success:

Innovation through R&D drives competitiveness and growth. However, the Northern Ireland economy has historically invested less in R&D than the rest of the UK. Between 2002 and 2003, there was a 6.6% fall in R&D expenditure in Northern Ireland public and private sectors. During the same period, companies in Northern Ireland reduced R&D expenditure by 22%, while those in the rest of the UK increased it by 4%. Within our manufacturing sector, the decrease was 27%. Reversing this trend is of fundamental importance to the Northern Ireland economy.

In addition to DETI and the Inland Revenue working to ensure optimal implementation of the existing R&D tax allowances, Ulster Unionists would support Intellect UK's call to extend the tax allowance to include all R&D costs.

Universities have a key role in initiating and furthering R&D. Northern Ireland has the lowest annual investment in research via the Higher Education Funding Council per head of the population in the UK.

Over the past decade investment in R&D in mainland universities has increased by 23% - in Northern Ireland over the same period it has decreased by 20%. Ulster Unionists believe that Government has a responsibility to provide parity in higher education research investment between Northern Ireland and the rest of the United Kingdom. This investment should be linked to projects based on collaboration between the universities and businesses.



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What Government can Do:

Government cannot create jobs - businesses do. But Government has a responsibility to create an environment that empowers our businesses to compete and succeed.

Freedom from Red Tape:

The burden of regulations is one of the main barriers to growth. Ulster Unionists support the creation of UK-wide Regulatory Assessment Agency to 'competition proof' all proposed regulations.

The cost of doing Business:

We oppose the removal of Industrial De-Rating. We support a competitive energy market. We say no to EU tax harmonisation.

Investing in Skills:

Addressing Northern Ireland's skill shortage is vital to the dynamism and success of the Northern Ireland economy. Ulster Unionists would put a new emphasis on basic skills throughout education.

Innovation for Success:

Ulster Unionists will encourage R & D investment by extending the tax allowance to cover all R & D costs. Government has a responsibility to provide parity in Higher Education research investment between Northern Ireland and the rest of the United Kingdom.

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