

## **REQUEST TO DETI FROM THE ETI COMMITTEE**

At its meeting on 25 September 2014 the ETI Committee discussed the report on the Committee's participation in the Invest NI lead visit to the USA.

Members asked the following:

1. **USA Visit 2014 – Matters to be referred to DETI arising from the meeting with San Diego Economic Regional Economic Development Corporation (23 June 2014)**
  - (i) How does Northern Ireland ensure that there are jobs created at all levels and prevent the cost of living from rising above what many can afford?

## **DEPARTMENTAL RESPONSE**

It is the responsibility of all Executive Departments, through the commitments they have made within the Programme for Government and Northern Ireland Economic Strategy, to help grow the private sector and rebalance our economy towards one where a greater number of firms compete in global markets and improve the wealth, employment and living standards of everyone in Northern Ireland. Increased prosperity will help create opportunities for all sectors of the economy.

Invest NI's principal job creation support mechanism is its Selective Financial Assistance scheme which seeks to support jobs which pay in excess of Northern Ireland's private sector median wage and which drive productivity improvements.

However, recognising the impact of the economic downturn on employment in Northern Ireland, Invest NI's Jobs Fund initiative, launched in April 2011, widened the scope of job creation support to include jobs paying below the private sector median.

Invest NI support therefore covers a wide spectrum of jobs within the manufacturing service companies targeting growth in markets outside Northern Ireland.

Invest NI has promoted 23,783 jobs between 1<sup>st</sup> April 2011 and 31<sup>st</sup> March 2014: 5,373 through locally owned companies (with 64% attracting salaries above the NI PSM), 5,471 through externally owned companies (with 81% attracting salaries above the NI PSM), 3,841 through the Regional Start Initiative and 9,098 through the Jobs Fund.

Rising prices are largely determined by external factors outside of my Department's control. While my Department's control over rising prices is limited, we do focus primarily on creating higher paid jobs. By creating higher paid jobs, we can help people afford a better standard of living.

**Reply prepared by: Economic Policy Division**

**Date: 20 October 2014**