
ESEP NEW ECONOMY SEMINAR

28TH OCTOBER 2003, DUNDEE COLLEGE.

WORKSHOP SUMMARY

- 1.1 Two groups (approximately 10 in each) were randomly selected and allocated 30 minutes to tackle challenges facing the new economy namely:
 - Group A - The East of Scotland has strengths in both "old" and "new" industries. On what basis should we set priorities for action/allocate resources? How are the new and old economies linked?
 - Group B - What are the sectors of greatest opportunity in the programme area? What are the barriers to future progress, and what can we do about it?
- 1.2 Each group presented a summary of their key findings as detailed below.

PRIORITIES FOR ACTION

Group A: Linking "old" and "new" industries

- The group stated the need to appreciate the strengths and potential of many 'old' industries. It was felt that recent strategies focussed too much on replacing 'old' industries such as food and drink manufacturing, forestry and energy with 'new' sectors such as biotechnology and opto-electronics
- It was felt that opportunities for new company creation were still present in these established industries, and that there was room for substantial innovation within these sectors, both in terms of the products and services produced and the processes involved in their production. Forest products was cited as an industry which has embraced modern technology and in doing so has broadened the product range to include flooring, new materials for pre-fabricated house construction. Other developments in this industry have seen industry waste materials marketed for energy as bio-mass.
- However the group recognised that even targeting the 'old' industries with new process and technological advancements was not risk free. The group felt that the increasing application of biotech research in food manufacturing, and investment in technologies such as GM foods was an example of technology application which has proved to be problematic because of consumer attitudes
- The group felt that technology could be implemented to improve vertical integration in many industries, with more networking and greater emphasis on filling supply chain gaps in order to offer 'complete packages' to customers. An example of the use of technology in an established industry was given using the tourism sector. With the ability to search and book holidays on-line more people are now able to take advantage of tailored packages. This had led to an improvement in the ability to target niche markets more effectively e.g. green

tourism packages sold through targeted internet advertising.

Group B: The sectors of greatest opportunity and barriers to future progress

- The group started by pointing out that there were many different types of "opportunity". The definition employed of opportunity was that of 'sectors which could improve GDP, employment creation and employment retention'
- The sectors in the Programme Area which were felt to offer the greatest opportunity were tourism, distribution, forestry, personal services, energy and environmental services and retailing
- The key barriers to future progress in the Programme Area were cited as bureaucracy, the lack of clusters, local geography, a lack of innovation momentum, timescales, eligibility criteria for Structural (and other) Funds which favours 'new economy' sectors, the lack of critical mass in many industries and the inherent difficulties with the development of companies (whether old or new economy) - both start-ups and existing companies.