

Weathering the Storm; Preparing for the Future

by Liam Byrne MP

June 2008

1167 words

You don't need newspaper headlines to tell you that 2008 is a tougher year than we've had for a long time. You can see it in the shops and petrol stations. You can hear it from peoples' living rooms and company boardrooms.

What I've heard tells me that two things are now vital for business and politics today; doing what we need to do to weather the storm – without talking ourselves into a situation that's even worse. And second, not taking our eye off what we'll need next year and the year after to pull through in rude health.

I remember when I started a venture-backed technology business, back in 2000 and which survived the burst of the dot-com bubble, that business is a game of up and downs. And sometimes its things beyond our own control that prompt the harder conversations with bankers and the board.

But that's why amidst today's global turbulence, a cool-headed confidence remains key. Despite the headlines, I think we can be quiet optimists in the West Midlands because the changes of the last ten years mean that our region has such strong fundamentals.

Over the last five years, there has been a 16% increase in levels of entrepreneurial activity in our region. Today, manufacturing and professional services sectors are continuing to grow. Export markets are healthy, in China and India in particular. The Engineering Employers Federation has found that investment intentions are holding up.

Ericsson, the Swedish telecommunications giant, has just decided to set up a research and development facility at Ansty Park, Coventry, moving 650 jobs here. Shanghai Automotive Industry Company are creating and safeguarding 350 jobs by establishing, SAIC Motor Technical Centre in Warwickshire. At BMW, engine production at Hams Hall is up 70% increase with jobs and productivity up at the same time. New jobs are likely at Cadbury's Bourneville plant thanks to a £40 million

investment. Large-scale recruitment plans have been announced by Mahle Filter Systems in Telford; Muller in Market Drayton; Deutsche Bank in Birmingham; and a number of major retailers across the region.

And what's more, the public sector is playing its part. Channel 4 has decided that our region – Birmingham in fact – is the place its new £10 million digital media fund; the Quality and Curriculum Authority is relocating from London to Coventry; and new jobs are coming at the University Hospital of North Staffordshire in Stoke.

None of this happens by accident. In the past we were first in and last out of a recession. In the last eleven years we have avoided a recession and we will emerge from this world slowdown stronger and better.

But politics and government is about the here and now and the future. That is why Government is taking some dramatic steps to make sure families and businesses have everything possible to get through 2008 and beyond in good shape.

Key is maintaining demand and business confidence; so Government has delivered a family tax cut of £120 for 22 million basic rate taxpayers; injected £50 billion of liquidity into the banking system to help with mortgage rates; extended government-backed shared equity deals to all first time home-buyers on income of under £60,000; and leadership and taken action on the world stage to tackle rising food and fuel bills.

But perhaps the biggest risk – and the biggest mistake – would be to take our eye off the ball and forget what we need in this region to prosper not just this year, but over the decade to come.

That's why I've been determined to get some basic plans for the future of our region in place.

We now have our first ever skills action plan – the first in the country to produce one; we've set out the transport priorities across the region and in March I launched a report on our region's plans to develop Academic Health Science Centres - plans to unite our universities and NHS in a way that will win investment and create jobs.

Now I want to go a step further. So I am launching today a big conversation across the region with business and local communities about the new laws that Parliament should pass over the year to come.

Government published a draft list of laws last month with a bold ambition of building a more prosperous and fairer Britain.

So, the list includes a Banking Reform Bill to help regulate banks and a Saving Gateway Bill to give some of the poorest in society a financial incentive to save. An Education and Skills Bill is designed to help everyone make the most of their potential with measures to make sure every school is a good school and dramatically boost the number of apprenticeships.

We want to hand power back to communities with our Community Empowerment, Housing and Economic Regeneration Bill and personalise public services through Bills on Policing and Crime Reduction Bill, National Health Service Reform and Transport Security.

We want to deliver new flexible working rights for more families; longer paid maternity leave for new mothers, paid paternity leave for fathers, and increased Child Benefit and child tax credits. And in my own area of the Home Office, we want a tougher and fairer test for citizenship building on Labour's introduction of an Australian-style points based system so that only those who benefit Britain can come here.

Over the next few months, I'll be asking people all over the region what they want to see these new laws really to grips with. I am asking hard-working families and businesses what they think – how will these proposals affect them? How can we build a fairer Britain?

Over the last year, we've achieved a lot in the West Midlands. And the work we are leading is helping set the agenda for the rest of government. Last week we saw how the ideas we developed to help get people back in to work in our region have helped shape national policy. Now we should set the pace for what Parliament passes in the year to come.

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