

This article was printed in the Western Morning News on Tuesday, 13th May.

Chris Pomfret, Chairman of the Cornwall and Isles of Scilly Local Enterprise Partnership, on how renewable energy, the digital economy and aerospace could hold a brighter future for the area.

Publication of the latest Gross Domestic Product (GDP) figures last week reinforced Cornwall's position as among the poorest regions in Europe, prompting questions about whether we have invested the £1 billion-plus of EU funding we have received over recent years in the right things.

In my view the answer to that question is a clear yes, however, as with every programme some initiatives will have been more successful than others. But first let's look at some of the reasons for the drop in our economic output.

The figures in question relate to 2011 (the latest available) and show Cornwall's GDP – which is the value of all finished goods and services in a particular year – was 64% of the European average, down from 72% in 2010. Devon saw a similar drop from 87% to 80% in the same period.

At the time these figures were collated the UK was about to enter recession and the longest economic slump for a century, and there has been a general decline in per capita GDP relative to the EU average across the country since 2003.

Another complicating factor is the higher proportion of self-employed people in Cornwall and the Isles of Scilly. Self-employment income in the UK has fallen considerably, which means we have seen a larger proportionate fall, and this impacts on GDP.

The fact we remain below 75% of the EU's GDP average is the reason Cornwall and the Isles of Scilly continue to qualify for EU funding support. This will be worth €590.4 million from now until 2020 and will be our fourth significant EU funding programme in 20 years. Our goal is to try and make sure it is the last by lifting our economy above the EU threshold by 2020.

That's a big challenge and we will do it by building on our traditional strengths in bedrock industries such as tourism, agriculture, food and marine. However, if we are to grow at an above average rate and increase our wage levels we need to pioneer new industries and technologies that make the most of our special environment and unique characteristics, including renewable energy, agri-tech the digital economy and aerospace.

And we haven't plucked these growth areas out of the air. It's no accident the main inward investors to Cornwall in the last year are made up renewable, digital and aerospace companies.

They are coming to Cornwall is because of EU investment we have already made in big ticket projects like the Wave Hub wave energy test facility, which has now let all four of its berths; superfast broadband and Newquay Cornwall Airport, where we successfully bid for an Enterprise Zone offering tax incentives and a relaxed planning regime to companies moving there.

EU funding has also created a network of innovation centres at Penryn, Truro and Pool which are proving to be real engines of growth for local businesses, and massive investment in Higher Education means we now have three times more university level students than in 2000. The real opportunity this offers is to link our business community with our further and higher education institutions to use their research capabilities to drive innovation in products and services.

As this suggests, we are yet to feel the full economic impacts of many of these investments, some of which will take years to mature, but I believe strongly that we have invested in the right things. Our priority in the next EU programme is to build on those foundations and anticipate how we can spend the money wisely to exploit new and emerging opportunities for our businesses and people, raise wages and improve skills.

That programme will be very much private sector led with the obvious emphasis on the SME sector, the heart of our business community.

If you combine EU money with public, private and national government funding, total investment in the Cornwall and Isles of Scilly economy over the next six years will exceed £1 billion.

Our recently published plan for spending that money focuses on the three areas of Future Economy, Growth for Business and Conditions for Growth, laying the foundations for more than 18,000 jobs.

Key to that plan is having greater autonomy in deciding how EU funds are spent, which is a case we will continue to make strongly to Ministers.

- Find out more at www.cornwallandislesofscillylep.com or follow @LEPCornwall_IoS

Copy ends