

**“CONNECTING SCOTLAND”**

**OPENING SPEECH TO 2009 SCDI ANNUAL FORUM**

**20 MARCH 2009**

Good morning everyone. I'd like to add my welcome to this year's Annual Forum on behalf of the team at SCDI.

Scotland's connectivity is not just hugely important to our long term economic future, it is also a massive challenge to cover in a one day and one evening event.

Although we choose the theme of “Connectivity” last year, in today's economic climate the need for a “connected Scotland” has even stronger resonance.

And I'm sure you will agree from the discussion and debate last night, improving and maintaining our connectivity will be a key factor in building a sustainable economic future for Scotland.

At this year's Forum we have put together an ambitious programme of national and international speakers to look at key aspects of Scotland's future connectivity.

This is key in our efforts to restore stability, to build a new platform for growth, and to move our economy forward.

As Patrick highlighted last night - It may have been the global financial system that helped create our current crisis, but it was also our trading connections around the world that delivered a record 63 quarters of unbroken growth for the UK economy.

But it would be wrong in the current climate to retreat and attempt to protect Scotland by distancing ourselves from world markets.

New transport links and communications technologies will drive growth and open up new ways of moving goods and services around the globe.

It is these connections that have opened up the expansion of Scottish companies around the world, and brought global businesses to invest and operate in Scotland.

But if Scotland is to compete on the global stage then we have to renew and strengthen our connections across a range of areas.

After years of under investment, Scotland's transport system requires a major upgrade.

The Forth Bridge threatens to take a huge percentage of our capital investment over the next ten years, side lining other essential improvements in our road and rail networks.

We need new connections to our key markets in the rest of the UK, direct flights to our European competitors and partners, and guaranteed access to the international markets served by London and the south east.

And as our competitors embark on the next stage of the digital revolution, building broadband networks ten times faster than Scotland's current capability.

We need to invest in new networks to ensure that we do not fall behind. That is why we are both pleased and excited about the announcement from BT Openreach that we will hear later this morning.

Key growth sectors like life sciences, creative industries, financial services and energy are ever more data dependent, and will require more and more bandwidth to run data-hungry applications.

But new networks will not deliver progress or growth in themselves. We know that they are only a means to an end, an enabler of business and the delivery of efficient public services.

That's why we must also help business and government extract greater gains and advantage through our current broadband network.

Research, suggests that Scotland could add almost £3 billion a year to GDP through productivity gains driven by better use of existing information and communications technology.

And so often, it is those organisations and communities that could benefit most from greater use of technology that fail to do so.

We need to ensure that we have a digitally and technically skilled workforce, public sector and business community.

In education, new connections are also vital to ensuring that our university and college sector can continue to compete at an international level.

As we will hear later, students are demanding new ways of learning and teaching. We need to ensure we are engaging with the Facebook and YouTube generations

And with continuing challenges over finance, our colleges and universities will have to continue to work smarter, to work faster and go further than their competitors to succeed in a global market for research funding and student fees.

Finally, in energy, new connections are fundamental to our efforts to tackle climate change. A sustainable future means we must all accept a new paradigm, where a new model of grid connections carries renewable energy from where it is generated to where the demand is strongest.

We know that National Grid is looking at connecting the vast potential of the north and west of Scotland with demand in England, but the development of our renewables industry must not be constrained by the refusal of Ofgem to support EU,, UK, and Scottish Government renewable energy targets by a more progressive model of transmission charging.

If we really are to tackle climate change, then international cooperation is required on an entirely new scale. We must translate our increasing energy inter-dependence into meaningful collaboration.

These are just some of the major issues that we will be tackling at this years Forum both in the main session and breakout groups.

In ten minutes I can only give you a flavour of the depth of the expert analysis and opinion you will hear today.

As the Secretary of State noted last night, SCDI was founded in 1931 in a time of economic turmoil to work on Scotland's behalf to meet the challenges of that economic era.

Today, we continue to lead the debate on Scotland's key economic challenges and to develop new and innovative responses and policy measures to drive our economy forward.

The strength of our organisation has always been you, our membership and our collective commitment to driving economic and social change for Scotland.

And we look forward to your input and expertise today.

The challenge is of course how we deliver investment in the current economic climate in these key areas of people, infrastructure, technology, energy and transport.

But by investing in our connectivity – both electronic and physical – we can sustain our economy, create jobs and businesses now, and build a platform for our future competitiveness.

We all know the challenges we face, what I hope we will gain from today and the collective experience and expertise we have in this room is a clear understanding of the way forward for Scotland, and a clear manifesto and action plan that we can all sign up to and play our part in its delivery.

Before I hand back to Keith, I would like to thank this year's partners who are all listed in the programme, to thank you all for your continued support.

The team at SCDI look forward to working with you all both today and over the coming months as we meet these challenges head on and work to deliver a successful and connected Scotland in the future.