



Held at the RAC club in London, Building Skills in the UK, is one of a series of events and forums – hosted by Harvey Nash – allowing key decision makers to meet and share ideas on the issues that matter to their business.

The event attracted over 100 CEOs, Directors and other executives from FTSE 250 companies, smaller public companies and public sector organisations.

After a short introduction by David Higgins, CEO of Harvey Nash plc, Digby Jones, Director-General of the CBI, presented his thoughts and experiences on why the UK needs to build the skills of its workforce to compete in an increasingly global market place. The presentation was then followed by a (very lively) Q&A session.

Key points:

- The UK is the greatest trading nation in the world (based on the total amount of exports/imports on a per capita basis) followed by Holland and Japan. The USA comes in at No. 11.
- However our economy is restructuring. With increased competition globally, the UK's future role in a worldwide market clearly requires us to move away from low value/high volume production towards value added production.
- This trend is already evident. In fact the UK has a lot to celebrate:
 - This year we are going to make more cars in the UK than ever before (the last best production year was 1964). But the focus is on high value/branded cars.
 - 25% of all Ford engines are built in the UK
 - Airbus: 75% of the engines and all of the wings were researched, developed and built in the UK.
- Given these successes and the UK's trading heritage, the potential for leadership in high value exports is excellent.
- But this can only be achieved if we have the right skills:
 - By 2006 80% of jobs in the UK will require at least five GCSEs grade C or equivalent
 - By 2010 there will be two million more skilled jobs in the UK
 - A 20 year old today will be expected to re-skill five to seven times during their working life

Continued



But...

- 3.5 million adults in the UK can't read, can't use the Yellow Pages and can't decipher an instruction manual
- 50% of the people finishing education will not achieve GCSE Grade C in English and Maths.
- This is not just an issue for those who are likely to be out of work, but for society at large. Unemployment is strongly related to crime, social malaise and increased costs through the payment of benefits etc.
- Compare this to other countries like France, which has invested significantly in adult learning, and there is a real risk the UK will fall behind competitor countries.
- But there is hope on the horizon:
 - The UK have the most literate 10 year olds in Europe
 - We have some of the best universities in the world
 - We also have the most flexible labour market in Europe
 - The real issue is with the 12 to 16 year olds.
- Europe should also be considered. There is a clear role for the EU in helping member countries to compete globally. For instance the US steel tariff was only stopped because the EU came together. At the same time there are still issues; for instance there is still a significant degree of beaurocracy involved in transporting goods from one country to another.
- Despite the £2.5 billion put aside for learning and development by the Government, the real people who can make a difference to the skills of the workforce is in the business community itself. We need to equip companies and their workforce for the challenge ahead.
- We all need to start now by taking responsibility as senior managers, to build the platform for our country's future.
- **"If you think training is expensive, try ignorance".**

We would like to thank all of those who attended the seminar and who continue to make Harvey Nash events lively forums for knowledge sharing and debate. If you would like to be informed of future events or have any comments or suggestions please email: info@harveynash.com. If you would like to find out more about our Executive Search, IT Recruitment or Project Outsourcing services please email info@harveynash.com. Comprehensive information can be found at www.harveynash.com

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