
Public consultation on the First Revision to the National Planning Framework

**Response from the American Chamber of Commerce Ireland
(AmCham).**

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The American Chamber of Commerce Ireland The Voice of US-Ireland Business

The American Chamber of Commerce Ireland (AmCham) is the collective voice of US companies in Ireland and the leading international business organisation supporting the Transatlantic business relationship. Our members are the Irish operations of all the major US companies in every sector present here, Irish companies with operations in the United States and organisations with close linkages to US-Ireland trade and investment.

AmCham welcomes the opportunity engage with Government on its draft first revision of the National Planning Framework (NPF). Ireland’s population is forecast to significantly increase in the coming years, by approximately one million from 2022 to 2040 according to the ESRI. The NPF, alongside the National Development Plan (NDP) and Project Ireland 2040, will play a vital role in ensuring that this population growth is successfully catered for. In order to deliver on Ireland’s potential into the future, we must plan today to ensure Ireland is best placed to continue to compete at the highest level for future strategic inward investment. Ireland’s future economic prosperity is reliant on smart policy decisions now. Capacity building and infrastructure delivery, energy affordability, certainty and sustainability, excellence in research and talent, and digital transformation are all crucial to Ireland’s future success. It is important that the NPF lays a solid groundwork for the necessary growth in each of these areas into the future.

Importance of MNCs

There are almost 972 US companies in Ireland which directly employ over 210,000 people and indirectly support a further 168,000 jobs in the Irish economy. A policy approach focused on attracting inward investment to Ireland has delivered FDI which supports over 80% of Ireland’s current corporation tax receipts and over one-third of Ireland’s current income tax receipts. MNCs play a key role in Ireland’s economy. The presence of MNCs in Ireland also significantly benefits our indigenous business environment, our local communities, and supports balanced regional development. As reported by the OECD in 2021, one of every four multinational employees who moved job either went to work for an existing Irish company or set up a new one.

It is crucial that the importance of MNCs to Ireland’s economy is reflected in the NPF. At present there is limited acknowledgement of the specific needs of large-scale, employment intensive, export-oriented MNCs. AmCham would particularly highlight the omission of any mention of large-scale manufacturing operations in terms of their sites and the utilities needed to support them. AmCham suggests that the NPF explicitly recognises the needs of MNCs and makes precise policy decisions to ensure that these needs are fulfilled. In particular AmCham would highlight the need for “*Delivering Critical Infrastructure*” to be incorporated as a standalone goal within the document, as the provision of infrastructure is crucial to the success of the objectives of the NPF and is a prerequisite to continued investment from MNCs in Ireland into the future.

Organisation

AmCham supports the NPF's view that "*investment alone is not sufficient to successfully implement this Framework*"¹ and its recognition of the need for "*more effective planning and co-ordination processes at national, regional and local levels.*"² Given the scale of projects noted in the NPF, and the multiple different bodies involved at national and regional levels, formalised channels of engagement between the relevant stakeholders across the various projects listed will be important going forward, as is recommended by the OECD in its Report 'Towards Balanced Regional Attractiveness in Ireland: Enhancing the Delivery of the National Planning Framework.' AmCham therefore welcomes the NPF's commitment to strengthen "*institutional and governance arrangements to coordinate implementation of the NPF at national, regional and metropolitan levels, across all stakeholders involved.*"³ Regular updates on progress across the range of areas of the NPF, and revision of targets to reflect updated forecasting, will also be key. More information on how progress will be measured, and how often it will be reported on, across the national policy objectives would be helpful in providing clarity. Indeed, the Report of the Expert Group for the First Revision of the National Planning Framework recommended the establishment of a dedicated NPF monitoring unit to track the implementation of the NPF annually. The establishment of such a unit is needed to ensure that progress and challenges associated with the NPF are properly monitored.

Reform of Ireland's planning system will be central to the delivery of the goals laid out in the NPF. AmCham acknowledges the work undertaken within the Planning and Development Bill 2023 which aims to address some of the key challenges existing within the Irish planning system. However, increased action is necessary to deliver a planning system which can provide the necessary capacity for Ireland's future growth. AmCham would particularly highlight the need to amend Section 173 of the Planning and Development Bill 2023 to allow for an application to lift the automatic suspension of planning permission where a judicial review process is being pursued, the triaging of planning applications to allow for the prioritisation of critical infrastructure, and the comprehensive resourcing of the planning system, including national and local planning bodies.

In its Budget 2025 Submission, AmCham emphasised the need for greater digitalisation of the planning system for greater efficiencies, it is positive to see the need for digitalisation of the planning system recognised throughout the NPF.

Focus on Regional Development

One of the core objectives of the NPF is enhanced regional development and accessibility. AmCham welcomes the NPF's note that "*facilitating a shift towards Ireland's regions and cities other than Dublin, while also recognising Dublin's ongoing key role*" will be key to Ireland's future success. As Ireland grows into the future, balanced regional development will be key to enhancing Ireland's business ecosystem, and supporting talent in living in, and working from both urban and rural environments.

In addition to having regional development as an overarching theme, the NPF notes "*Enhanced Regional Accessibility*" as one of its specific shared goals. Supporting the physical and digital connectivity of Ireland's regions is paramount to delivering balanced regional development, and ensuring our regions remain attractive locations for people to live and work, and for businesses to invest. Improved transport connectivity between Ireland's regions is needed to enhance regional accessibility, and is essential to improving Ireland's competitiveness. In delivering key transport projects Ireland has the opportunity to enhance its attractiveness, making travel more sustainable and accessible for talent, whilst also increasing efficiencies for business. AmCham therefore welcomes the NPF's focus on the need for improved transport systems.

The NPF further notes the importance of "*recognising and supporting enterprise specialisations and clusters which can drive economic activity in each region by strengthening linkages between companies of different sizes and stages of development.*" In 2023 Ireland attracted 248 investments from IDA clients. Over half of these projects – 53% - went to regional locations. With pharma and cyber bases in Cork, digital manufacturing in Limerick and MedTech in Galway, significant clusters already exist within Ireland's regional locations, and Ireland's future economic growth is dependent on continuing to attract investment into Ireland's regions. AmCham welcomes the NPF's proposal to "*devise and introduce a centrally coordinated, cross-Government approach to clustering that will encourage the formation and strengthening of national cluster organisations, leveraging the benefits of proximity and co-location*" and would suggest that a cluster for semiconductor technology should be prioritised to build on Ireland's strengths in this sector.

By securing key infrastructural investment to ensure capacity exists in our regions for future growth and development, Ireland can enhance collaboration and innovation, and further attract the most in-demand international talent to our regions. AmCham therefore agrees with the NPF's statement that there is a need for "*coordination of growth and place making with investment in world class infrastructure, including digital connectivity, and in*

skills and talent to support economic competitiveness and enterprise growth” and an ambitious and collaborative approach should be adopted going forward.

Ultimately AmCham supports the emphasis placed on the importance of balanced regional growth and enhanced regional accessibility in the NPF, whilst noting that Dublin will continue to play a key role in Ireland’s future growth.

Housing

As Ireland’s population continues to grow, addressing and enabling housing delivery must remain the number one priority for government. In a recent AmCham survey, 98% of members stated that the availability of residential accommodation is challenging for staff in their business operations in Ireland. Delivering for the housing needs of talent is crucial in ensuring Ireland remains an attractive location for business, as where talent wishes to live is a key driver in attracting investment and supporting business expansion. Indeed, 58% of AmCham members surveyed said housing is the infrastructure area that requires the most urgent investment from Government. In this context, housing must be viewed as a crucial economic enabler. It would be beneficial to ensure the ongoing revision of housing targets to inform the delivery of the necessary accommodation levels in both the purchase and rental markets to cater for current and future demand. This will be important in supporting Ireland’s growing population.

The Housing Commission’s recent Report criticises the *“the inappropriate referencing of HNSA results to argue for a cap on housing development in particular localities. By contrast, in Scotland HNSA results are widely understood as being the minimum level of housing supply that is needed.”* The recommendations of the Housing Commission should be taken into consideration regarding how best to approach housing through the NPF. AmCham would highlight the importance of reaching the housing goals noted in the NPF and would further urge that the target of delivering *“housing to accommodate approximately 50,000 additional households per annum to 2040”* be regarded as a floor as opposed to a ceiling, and that this number be continuously reassessed dependent on updated figures. AmCham would also stress the need for joined up thinking between the various strategies in place that deal with housing.

Water and Wastewater Services

The availability of water supply, the provision of adequate water and wastewater infrastructure, and the capacity of the environment to receive treated wastewater, will be

critical when planning development and in order to accommodate Ireland’s growing population and industry. AmCham supports the NPF’s aim to ensure the *“alignment of planned growth with the efficient and sustainable use and development of water resources and water services infrastructure, in order to manage and conserve water resources in a manner that supports a healthy society, economic development requirements and a cleaner environment.”* It is essential that the necessary capacity in water and wastewater is provided for future growth of housing and FDI investment in Ireland. Key to advancing the provision of water and wastewater in Ireland will be ensuring the necessary resources and the requisite capital investment is provided for the delivery of vital infrastructure projects. Important amongst these will be the delivery of the Water Supply Project Eastern and Midlands, and the Greater Dublin Drainage Project. Projections have indicated that the Eastern and Midlands region of Ireland will, by 2044, require an additional 34% supply of water in comparison with current levels. The provision of this supply will be key in ensuring the delivery of housing, and business growth in the region can be supported into the future, in a sustainable manner. Further, continued growth in this and other regions will also necessitate greater enhancements in wastewater infrastructure capacity. Delivery in this context will be important in ensuring Ireland remains an attractive location for both talent and business. Again, there is a need for joined up thinking. As such the NPF should be reflective of, and complimentary to, the Water Framework Directive, the Drinking Water Directive, and should coincide with the River Basin Management Plan.

Energy and Climate Action

It is important that the NPF provides for the provision of affordable, secure, and sustainable energy. Ireland compares unfavourably to competitor jurisdictions in each of these areas, and as such a concerted effort must be made by Government to deliver reliable renewable energy at a competitive cost. As we look to maintain Ireland’s position as a top location for FDI, addressing high energy costs in particular, will be essential in attracting future US FDI. AmCham members have consistently highlighted cost competitiveness among the top three challenges for Ireland to overcome for their company to continue to invest and expand here. Engagement with industry in terms of the introduction of any energy demand side measures is also needed.

The NPF notes a need to *“promote renewable energy use and generation at appropriate locations within the built and natural environment to meet national objectives towards achieving a zero carbon economy by 2050.”*¹ A recent survey of AmCham members found

¹ Ibid.

that 42% have committed to reaching carbon neutrality by 2030, with this rising to 64% aiming to reach this goal by 2040. Despite the numerous challenges businesses have faced in recent years, our members remain committed to achieving a more sustainable future. Efforts must be accelerated if Ireland is to reach its goals of a 51% reduction in greenhouse gas (GHG) emissions by 2030 and carbon neutrality by 2050. Significant progress needs to be made in a relatively short space of time, and AmCham has continuously stressed the need for action in this area to ensure that Ireland meets its targets.

There is considerable concern that the ambitions of the NPF are not enough to keep pace with the scale of population growth, and the energy demand and the infrastructure development that is needed to support this. In particular there needs to be coherent strategy for supporting the energy needs of MNCs into the future. Considerable upgrading of the electricity grid infrastructure is needed, as well as a more ambitious approach to the development of indigenous renewable energy in Ireland through offshore wind development, hydrogen production, and biomethane production. The need for a secure supply of affordable renewable energy should be a priority and the appropriate infrastructure must be put in place in a timely manner if Ireland is to meet climate targets and enhance energy security and affordability.

AmCham welcomes the NPF's commitment to support the "*sustainable delivery of port and harbour infrastructure to facilitate the development, maintenance and operation of off-shore renewable electricity generating developments.*" Offshore wind development will be critical to assisting the electrification of Ireland. Ireland has a huge capacity for offshore wind production but lacks the vital infrastructure to make the most of its potential. Barriers in relation to the development of offshore wind must be removed urgently to accelerate the delivery of offshore projects that can dramatically increase renewable energy provision in this decade. Further, ensuring our ports have the necessary infrastructure to support the construction of offshore wind projects will be essential, given that just one port on the island is currently ready to support the development of offshore wind farms.

Transport

The inclusion of "*Environmentally Sustainable Public Transport*" as a strategic investment priority is an important pillar of the NPF. The expansion of public transport infrastructure will play a key role in reducing Ireland's emissions whilst enhancing quality of life. The transport sector represents 19.4% of Ireland's greenhouse gas emissions, and

whilst other sectors decreased their emissions in 2022, transport saw an increase of 6%.² Significant changes to Ireland’s transport system are needed if carbon emissions are to be meaningfully reduced. AmCham therefore emphasises the importance of the NPF’s commitment to “*deliver Transport Orientated Development (TOD) at scale at suitable locations, served by high capacity public transport*”³ and to ensure “*the integration of safe and convenient alternatives to the car into the design of our communities, by prioritising walking and cycling accessibility.*”⁴ In enhancing Ireland’s transport system, ensuring a focus on micro-mobility solutions, particularly for the first and last miles of a commuters’ journey, is needed to support the development of a transport system that is effective and efficient for individuals and families.

The NPF notes that “*as significantly increasing the modal share of sustainable transport, we need to ensure that where car transport is required, this travel is increasingly taken by electric vehicle.*” AmCham would highlight that the appropriate incentives and adequate charging infrastructure is provided to encourage uptake of EVs for citizens and for industry. As it stands there is limited cost-effective EV availability, and a significant disparity in cost between most commercial EVs and diesel vehicles. AmCham therefore suggests that Government reviews the measures currently in place to promote the availability of EVs and considers the introduction of additional supports for companies in transitioning to zero emission vehicles, both in terms of the purchase of vehicles and of the corresponding charging infrastructure.

AmCham supports the NPF’s statement that “*Ireland’s direct links with other EU Member States by both air and sea and subsea energy connections are increasingly important, given their advantages in terms of resilience and ease of movement across internal borders. As a result, ports and airports facilitating faster transit times between Ireland and the EU need to be effectively connected into our land-based transport systems.*” In light of this AmCham would advocate for the development of Dublin Airport’s capacity for growth, including the accommodation of increasing passenger numbers, as well as the delivery of balanced air connectivity to support Ireland’s regional airports, including Cork, Donegal, Kerry, Knock and Shannon.

Skills & Innovation

² EPA: <https://www.epa.ie/our-services/monitoring--assessment/climate-change/ghg/transport/>

³ Draft First Revision to the National Planning Framework: <https://www.npf.ie/wp-content/uploads/Draft-First-Revision-to-the-National-Planning-Framework-July-2024.pdf>

⁴ Ibid.

The NPF's National Strategic Outcome 6 is titled "*A Strong Economy supported by Enterprise, Innovation and Skills*" and AmCham would stress the importance of growing Ireland's research and innovation potential, and also its skills base. According to a recent AmCham survey, 100% of respondents said a widening of the skills gap or an increase in the talent shortage in Ireland would be concerning for their organisation, with 85% saying it would be extremely or very concerning. It is important that this is mitigated against.

Ireland's educated, diverse, and international workforce represents one of the country's greatest areas of competitiveness. The continuous development of key skills will be essential in ensuring Ireland remains a foremost location for FDI investment into the future. As such, skills-based education, investment in third level institutions, and the broadening of apprenticeship avenues will be essential. Furthermore, as skills needs evolve, a continued focus on micro-credentials and lifelong learning will be pivotal in maintaining Ireland's reputation for having a skilled and productive workforce. It is positive to see this reflected in the NPF's goal to establish "*Programmes for life-long learning, especially in areas of higher education and further education and training where skills gaps are identified.*" It will be important that Government continues to engage with industry to support the on-going mapping of skills needs to inform and support the development of skills to match the pace of innovation and change within industry. A recent AmCham member survey highlighted the greatest skills gaps for members as being in engineering, data and digital, and machine learning and A.I.. However, these areas also represent some of the greatest opportunities for Ireland's future growth and competitiveness. With the correct actions to address skills gaps, Ireland will be best placed to cater for the skills needs of industry into the future, ensuring it remains a destination of choice for investment and growth. As such, the development of digital skills will be of utmost importance looking to the future. AmCham therefore supports the NPF's statement that "*The development of skills, talent and innovation capacity is a key strategic pillar for the NPF. Investment in building and sustaining skills, talent and innovation capacity will be prioritised to promote greater competitiveness and increase productivity.*"

In terms of fostering innovation, Ireland's thriving ecosystem of MNCs, indigenous enterprise networks, and its strategic position as a gateway between the United States and the European Union provide a solid foundation for enhancing Ireland's research environment. Ireland's commitment to fostering a culture of research and innovation through strategic government initiatives and investments amplifies its potential. Of particular importance will be attracting and retaining PhD talent and enhancing the R&D tax credit system. The research ecosystem in Ireland is at a crucial juncture, requiring a

comprehensive and strategic approach to foster collaboration and innovation among research institutions, universities, businesses, and government. Access to well-maintained research infrastructure and alignment between funding opportunities and research priorities are pivotal factors in strengthening Ireland’s ability to provide a vibrant research ecosystem that positively impacts Irish society and industry. Currently, there are challenges in creating collaborative research projects. Notably, there are different KPIs for research institutes, universities, and the requirements of businesses. It is imperative that government take measures to incentivise research initiatives that cater to the interests and needs of all relevant stakeholders, fostering a more cohesive research ecosystem.

The NPF’s National Strategic Outcome 6 is clearly of key importance to attracting FDI into the future. However, AmCham would note a concern that this section seems to formulate policy independent to enterprise; policy is made, and business is expected to follow. Instead, enterprise should be engaged with in formulating economic policy in order to establish a stronger framework to drive investment and to deliver jobs.

Healthcare

In its Budget 2025 Submission, AmCham called for the “*development and integration of a fully digitalised healthcare system, where all health systems are linked digitally to provide greater efficiencies and enhanced patient outcomes.*” It is therefore positive to see that the NPF recognises that healthcare capabilities “*must be planned along-side infrastructure including how to leverage digital and technologies to include virtual and digitally enabled care built on a solid foundation of trust, privacy, and cyber resilience.*”