
The Department of Enterprise, Trade, and Employment Statement of Strategy 2023-2025

Response from the American Chamber of Commerce Ireland (AmCham) to the Department of Enterprise, Trade, and Employment's public consultation.

March 2023

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 to respond to the Department of Enterprise, Trade, and Employment’s consultation on its Statement of Strategy. Having made a submission to the Department in anticipation of the White Paper last year, AmCham appreciates the chance to provide further feedback on the Department’s strategy going forward.

Approximately 950 US companies call Ireland home, employing 209,000 people, and supporting a further 167,000 jobs in the Irish economy. The scale of this investment is further visible through their annual expenditure of €14.1bn on payroll, €8.7bn on goods and services, and €7.9bn on capital expenditure.

In 2021 the OECD reported that, over a six-year period, one of every four multinational employees either moved to an existing Irish company or started a new one. This is an extraordinary achievement, both by multinational and domestic Irish business.

Sustainability

AmCham welcomes the emphasis placed on sustainability in the draft Statement of Strategy, particularly the idea that the Department’s overriding policy focus will be on *“on transitioning to a low carbon, sustainable economic model, both to meet our emissions abatement targets and to seize the economic opportunities arising”*, and the dedicated section to sustainability under Goal 2.

Advancing sustainability is a core priority for AmCham members. AmCham fully supports Government’s commitment to reach net zero by 2050, as well as the EU’s target of reducing greenhouse gas emissions by at least 55 percent by 2030. AmCham members are at the forefront of driving Ireland’s sustainability transition. A recent survey of AmCham members found that over 40% have committed to reaching carbon neutrality by 2030, with an additional 20% 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. MNCs in Ireland are determined to deliver on ambitious goals in diverse areas such as renewable energy, waste reduction, and carbon neutrality. It is key that businesses are equipped with the tools and resources from Government to succeed in their sustainability journeys, and that Government’s ambitions in the space reflects that of the private sector.

AmCham notes the Department’s commitment to promoting energy efficiency, and recommends that a greater emphasis is placed on the importance of indigenous energy generation, not only from a sustainability perspective, but also from a security and a cost point of view. Security of Ireland’s energy supply, and capacity for current and future demands will have a direct impact on the ability of businesses to grow and create jobs in communities throughout the country. With urgent action to address energy needs, provide certainty of supply, and protect Ireland’s strong reputation, the opportunity exists to protect current investment and ensure future investment is not diverted to competitor countries. Ensuring sufficient capacity, storage, and redundancies exist within our energy grid will support Ireland’s transition to a carbon neutral economy, and is pivotal in achieving our climate goals.

Digital & cyber

Digitalisation is becoming ever more important in supporting talent, supporting business, and ensuring Ireland remains a competitive investment location. AmCham therefore welcomes the Statement of Strategy’s focus on digital alongside sustainability. AmCham appreciates the dedication from the Department within the document to *“act as advocates for digital transformation, with the agenda being integral to their engagement with business.”*

AmCham suggests the Department also indicates where it itself can benefit from digitalisation. For example, one of the goals noted within the document is to *“Manage an efficient employment permits system, maximising the benefits of economic migration and minimising the risk of disruption to Ireland’s labour market.”* AmCham is of the view that the visa and permit system could be greatly enhanced through greater digitalisation. Rapid digitalisation would support those moving to Ireland, and their partners and families while also facilitating more streamlined access to the employment market in Ireland by international talent.

In the context of digital, and given the increasing importance of cyber security, reference to cyber protection would be beneficial. The reputational risk of cyber attacks could have a severe and costly impact on organisations, and on Ireland’s reputation as an investment location. Many of the world’s largest companies have operations, and regional headquarters in Ireland. These companies require world-class protection and regulation. Many have global teams, serving global markets, and these markets also require such security. Greater cybersecurity provides protection for business and public services and safeguard critical national infrastructure from external threats.

Industry 4.0

Finally when it comes to digital, and equally relevant to the issue of sustainability, is the need to foster collaboration between industry, research, and Government. The Statement of Strategy rightly points out the importance of Industry 4.0, and key to its development is the success of Ireland’s research and development space. To realise the opportunities provided by Industry 4.0 fields, a focus on fostering collaboration and cross-sector impact would be beneficial, with an emphasis on fields including quantum computing, artificial intelligence, augmented reality, data analytics, and robotics. A disproportionate amount of the world’s top firms in manufacturing have a base in Ireland. Many of these sites are of global strategic importance providing Ireland with the opportunity to be at the forefront of technological advancement.

Ireland as a regulatory hub

AmCham further welcomes the international focus of the Statement of Strategy, particularly in relation to Ireland’s position in Europe. AmCham believes that Ireland can and should continue to consolidate its position as a leader within, and a gateway to, Europe. AmCham welcomes the Statement of Strategy’s commitment to continued work with the Trade and Technology Council.

The focus on maintaining Ireland’s position as a digital regulatory hub is important, as included under Goal 4. Ireland’s position as a regulatory hub within the EU has developed naturally and as a result of the success of Ireland’s inward investment strategy. This success has resulted in key functions being placed in Ireland. The provision of a coherent and effective regulatory framework will be essential in enhancing Ireland’s position as a digital regulatory hub within the EU and must be accompanied by a continued emphasis on the protection of the ‘country of origin’ principle at EU level.

Regional Enterprise Plans

AmCham supports the continuous focus on the importance of regional development throughout the Statement of Strategy, as encapsulated in Goal 1. Supporting Ireland’s regions is of the foremost importance in ensuring balanced regional development. 2021 saw 53% of all new foreign direct investments go to locations outside of Dublin.¹ With

¹ IDA Ireland.

balanced regional development, Ireland's regions can act as a viable counterweight to the pull of Dublin, ensuring that business and talent can build on the opportunities offered by Ireland's regional strengths.

AmCham particularly welcomes the Department's approach to clustering. Clustering has had many benefits for the enterprise ecosystem in Ireland and provides great opportunities to spur further innovation. The move towards a clustering model within domestic policy is positive and will support innovation and collaboration between MNCs, SMEs and academia. To further enhance the impact of collaboration, Ireland should consider developing an innovation district which will have a global standing.

Infrastructural Development

Quality of life will continue to be integral to Ireland's competitiveness in attracting talent. According to the UN Human Development Index, Ireland ranks second in the world for quality of life. To sustain a high quality of life in Ireland, key challenges must be addressed. These challenges include the availability of affordable homes, access to affordable childcare, sustainable public transport, a globally competitive personal tax regime, and fit for purpose healthcare and education systems.

AmCham members have consistently identified housing as the most important challenge for Ireland to overcome for their company to expand in Ireland. In a recent AmCham survey 98% said the availability of residential accommodation is important to maintaining FDI employment in Ireland. Through the delivery of housing commitments, and the continued prioritisation of planning and capital investment in accommodation provision, the opportunity exists for Ireland to remain a destination of choice for people, and for FDI. AmCham therefore notes the Department's commitment to "*promote construction sector innovation and modern methods to accelerate delivery of high quality, environmentally sustainable and more-affordable housing.*" In this context, it is essential there is a continued focus on enabling the on-time delivery of commitments under the Housing for All plan. Additionally, delays and logjams in the planning process create a barrier for investment into Ireland, and for the delivery of vital infrastructure projects. AmCham members have

AmCham further welcomes the Department's aim to "*engage with stakeholders and across Government to drive NDP delivery and align investment with economic and enterprise development.*" Road, rail, and other key transport projects must be advanced to provide the required connectivity for business. Digital infrastructure, including the rollout of the National Broadband Plan will be essential in supporting enterprise in

connecting with key markets, and supporting the increasingly digitalised working environment. AmCham believes it is important that key ambitions of the National Development Plan are adhered to in order to enhance quality of life in Ireland, and to continue to attract inward investment.

Talent

As outlined in AmCham’s submission to the Department’s consultation on the White Paper on Enterprise, Ireland’s competitive edge in attracting inward investment is its people. Smart policy choices to fund higher education and research will be key in enhancing Ireland’s education system, and in building a world-class talent pipeline.

In supporting talent development and developing the skills needed for the future, a continued focus on the advancement of digital literacy and skills will be essential. Further, in supporting gender balance in leadership in the long-term, a focus on addressing gender disparities in STEM would support the advancement of women in key industries, including advanced manufacturing and life sciences.

Quality of life is integral in attracting talent to Ireland. In this context, ensuring key challenges are addressed will be important in supporting talent. Such challenges include the availability of affordable homes, access to affordable childcare, sustainable public transport, a globally competitive personal tax regime, and fit for purpose healthcare and education systems.