
National Risk Assessment 2023

Response from the American Chamber of Commerce
Ireland (AmCham) to the Department of the Taoiseach

February 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 comment on the National Risk Assessment Draft List of Strategic Risks 2023. On the whole, the risks set out in the consultation document reflect the chief concerns of AmCham members.

AmCham welcomes the acknowledgement of the overlap between headings, particularly in relation to issues including housing and both its impact on economic progress and society as a whole.

Housing

AmCham members consistently identify housing as the number one challenge to for Ireland to overcome to support business growth. In a recent survey of AmCham members, 98% of respondents noted that the availability of residential accommodation is important to maintaining FDI employment in Ireland. Accommodation is an important economic enabler, and while Ireland is not unique in facing a housing crisis, the availability of accommodation is linked to Ireland's overall attractiveness as a location for talent and business. 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.

Skills & Labour Shortage

Whilst the growing skills and labour shortage is referenced at various stages of the consultation document, its importance warrants a standalone section within the National Risk Assessment. Talent is a cornerstone of the continued success of Ireland in attracting inward investment. While Ireland boasts internationally acclaimed high standards of education and quality graduates, it remains necessary to attract international talent to Ireland to support the development of cutting-edge teams. In that context, it is important to prioritise the continued marketing of Ireland on an international basis as a great place to both live and work.

In AmCham's recent survey of members, talent attraction was identified as the second greatest challenge for Ireland to overcome for their company to expand and grow. Talent attraction and retention, and skills shortages impact companies of all sizes across all sectors. As such, AmCham would welcome a dedicated section within the National Risk Assessment to reflect the importance of the growing skills and labour shortage.

Research & Development Gap

AmCham further believes that emphasis should be placed on the need for an increasingly flexible education system to nurture digitalisation and the knowledge economy. The risk posed by not closing the research and development gap is of such significance to warrant coming under its own heading. AmCham notes the ambition contained within the Enterprise White Paper, published by the Department of Enterprise, Trade and Employment to increase overall expenditure on research and development to 2.5% of GNI* by 2030. Not closing the research and development gap could potentially place Ireland at a competitive disadvantage in attracting inward investment into the domestic economy in comparison with other jurisdictions.

Climate & Sustainability

AmCham notes the extensive treatment of environmental risks within the National Risk Assessment. Ireland's Climate Action Plan 2021 included a number of ambitious but necessary targets, including a legally binding commitment to net-zero greenhouse gas emissions no later than 2050, and a reduction of 51% by 2030. AmCham members are supportive of Government's targets, and many have themselves set even more ambitious goals.

AmCham's recent survey of members found that over 42% have committed to reaching carbon neutrality by 2030, with an additional 22% aiming to reach this goal by 2040. Climate change is undoubtedly going to continue to be a sizable risk for the foreseeable future, and serious efforts must now be made to accelerate a reversal of the damage caused by carbon emissions.

AmCham is of the view that the inclusion of the "lack of vital infrastructure" to support action to address climate change and empower the delivery of sustainability measures would be beneficial. In this context, the infrastructure required would be that focused on enabling the delivery of renewable energy solutions, and to support sustainable public transport solutions to facilitate the modal shift. The development of such infrastructure is necessary to support Ireland in meeting its climate targets and achieving ambitious sustainability goals.

Cyber Security

Cyber security is a necessity in an increasingly digitalised world. As such, the inclusion of cyber security in the National Risk Assessment 2023 is both welcome and essential. In a period of geopolitical uncertainty, it is essential that Ireland is vigilant against

cyber attacks. In doing so, Ireland must ensure it is prepared to deter and withstand any potential attack.

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.

Ireland has become a leading digital economy within the EU. In order to sustain and grow this position, Ireland must be focused on ensuring it has a best-in-class ecosystem for privacy and security, and that the protection of Ireland's position as an EU regulatory hub for digital businesses in Ireland is a priority at EU level.

Protecting critical national infrastructure is pivotal to ensuring business and people in Ireland are secure from cyber threats. Developing capacity to understand and manage challenges is vital in an environment where threats are ever evolving and where the State must be successful every time a threat emerges while malicious actors need only be successful once.

Air Connectivity & Supply Chains

The future protection of air connectivity should be considered as a risk for inclusion in the National Risk Assessment. Ireland is home to many multinational organisations and air connectivity has traditionally been important for both business and tourism.

Ireland's open economy is supported by global links, and air connectivity is important for trade, business, and personal links to Ireland's diaspora. Ireland proved to be a reliable partner for global businesses managing complex global supply chains throughout the pandemic. This was not without its challenges during the early phases of the pandemic. Given the impact of the pandemic on supply chains, and a focus on simplifying logistics, and indeed subsequent supply chain challenges, Ireland must consider any future factors that could disrupt the movement of goods and services in terms of cost and reputation.

AmCham members consistently raise the importance of transatlantic routes and connections between Ireland and European hubs in terms of business and in relation to connecting them with key markets. Ensuring the protection of air connectivity into the future is vital in terms of supporting business in Ireland and ensuring Ireland remains an attractive location for inward investment.