



The document sets out Shannon Chamber's Manifesto for Ireland and its regions' future with a specific focus on: Planning for Growth; Local Government Reform; Supporting Irish SMEs and; Fiscal Responsibility and a sound Budgetary Framework.

Ireland's Future Growth

A Focus on Balanced
Regional Development

Shannon Chamber Board

Introduction

As the business representative organisation for 300 companies and their 10,000 employees, Shannon Chamber has, at all times, a duty of care to its members to ensure that it acts as their voice to Government, and its representatives at local level, on issues that affect their businesses at an individual or collective level and, the environment in which they operate.

This document has been prepared, in consultation with Chambers Ireland and the Board of Shannon Chamber to highlight these issues in greater detail.

General Election 2016 will prove to be a key moment in the evolution of the Irish State. It will herald an era where well-managed, sustainable economic growth must benefit ALL citizens, in all parts of Ireland – urban and rural. Ireland is entering into a challenging phase in its economic history. As we emerge from a period of deep recession, our recovery has been characterised by economic growth that has been uneven across the country. We have also been left with a legacy of youth unemployment and specific areas of high unemployment across the regions. The next Government must face the challenge of imbalanced growth and implement a strategy to support economic development in all regions.

Balanced regional development applies equally to the business and tourism sectors. For example, Dublin's shortage in hotel room stock is overheating the east coast market and leading to the industry in general gaining a reputation for being expensive, which is quite the contrary on the west coast. Also, there is a constant perceived need to counter balance tourism product; the success of the Wild Atlantic Way had resulted in the creation of a new brand for the east coast – 'Ireland's Ancient East', which in effect has placed an additional focus on Dublin, which already is at breaking point capacity. Care must be taken that new products of this nature don't add another layer of skew to the east/west imbalance in the tourism sector

The 32nd Government must acknowledge that its role is one of stewardship of the Irish economy and its responsibility must be to safeguard balanced economic growth for the benefit of current and future generations

We hope that, as an election candidate, you will take note of the 6 issues presented here and regard them as core priorities for the next Government.

1. Fiscal Policy
2. National Planning Framework
3. Local and Regional Economic Development
4. Planning Reform
5. Reform Local Authority Funding and Commercial Rates
6. Implement a Coordinated Programme to Support Irish SMEs to Export

This pre-election Manifesto has been issued by Shannon Chamber Board of Directors:

Julie Dickerson (President), Kevin Thompstone (ex officio), Stephen Keogh, Company Secretary, Helen Downes, Shannon Chamber CEO, Adrian Furey, Damian Gleeson, Eoin Hoctor, Mark Nolan, Nandi O'Sullivan, Mary Considine, Ian Barrett, Brian Lohan, David Brown and Edmund Jennings.

<http://www.shannonchamber.ie/about/our-board/>

1. Fiscal Policy

Shannon Chamber believes that fiscal responsibility and the restoration of a balanced budget is fundamental to the future success of the country and should be a key priority for the next Government. A sound budgetary framework, based on a concept of balanced budgets, is fundamental for:

- ❖ Continued international confidence in the future geo/political stability of the country
- ❖ Confidence of the credit markets to ensure that the roll-over of the country's debt can be done at the lowest possible interest rate, minimising the interest cost-drag on the economy
- ❖ Keeping interest rates low so that individuals and businesses can borrow to invest at the lowest possible cost
- ❖ Protecting against future economic downturns or external shocks to the economy
- ❖ Avoiding excessive reactionary and disruptive changes in Government policy resulting from the above factors
- ❖ Providing a stable environment where individuals and businesses can invest with confidence.
- ❖ Underpinning the image of an Ireland with responsible fiscal policies and responsible Government leaders in the absence of the Troika
- ❖ Managing the country's borrowing level in a way that balances the need for investment to drive economic growth and the requirement to instil confidence in international credit agencies
- ❖ Positioning the country for worldwide economic recovery, which is likely to be accompanied by increases in interest rates and hence in the country's borrowing costs
- ❖ Protecting the country's ability to make reasonable ongoing levels of investment in infrastructure and services and to avoid boom/bust types of investment cycles
- ❖ Avoiding a drag on future growth because of lower future investment levels

We need a sustainable fiscal policy so that government can deliver a vision of a country with balanced economic and social activities, one of the world's best countries in which to live, learn and do business.

While fiscal policy is a key to Ireland's future economic success, other enablers as outlined below, must also be given equal attention by the incoming Government.

2. National Planning Framework

In calling for greater levels of state investment in capital infrastructure, Shannon Chamber does not believe that finance and investment are enough to ensure the timely delivery and achievement of maximum benefit from infrastructural projects. Rather, a robust National Planning Framework is the cornerstone to ensuring that capital investment and infrastructure plans are implemented through best practice planning.

The failure to implement the 2002 National Spatial Strategy led to the announcement, in 2013, of a new National Planning Framework (NPF). In the absence of a spatial strategy for the country, government investment in regional job strategies, transport, communications and other capital infrastructure projects cannot ensure that economic recovery and development will be balanced or sustainable. The poor planning and investment decisions of the past should not be repeated. A National Planning Framework is critical to providing a strategic context for the development of regional economic and spatial strategies.

- The next Government must publish the National Planning Framework with clear commitment to have the Framework in place by the end of 2016.
- It is important that the next Government ensures that there is political commitment, nationally and locally, to the implementation of a National Planning Framework that works for the economic development of the regions and for Ireland as a whole.

3. Local and Regional Economic Development

The role of Local Authorities in advancing the economic growth of their communities has never been more important. While Local Authorities have always played an integral role in the economic development of their areas, they, and Regional Assemblies, have been given an unprecedented level of responsibility in the design and implementation of local and regional economic development plans. These plans are important in fostering effective economic development in towns and regions across the country and Shannon Chamber would stress that:

- These Plans must be coordinated nationally to ensure that the most effective use of resources is achieved. They should be reviewed centrally, and aligned with other strategies such as the Regional Action Plan for Jobs and the National Planning Framework.
- Local Authorities should be incentivised to ring-fence a portion of commercial rates for local economic development with matching funding from the Exchequer. Drawing on the examples of Cork City and County Councils and international best practice, the establishment of a development fund in each Local Authority can be effectively used to support local enterprises and projects with growth potential. Development funds could focus on driving business growth throughout a region by providing supports to targeted projects to enhance the business environment. These projects would be subject to detailed applications stating the objectives and plans for each initiative. For example, funds could be utilised to invest in initiatives such as start-ups, festivals and markets, arts and craft studios, community hubs, and more.
- Regional Action Plans for Jobs, which have been devised to support the future growth of social and economic development across the country, should be expanded upon and further developed in line with the development of the National Planning Framework.
- There needs to be coherence between national and regional planning and economic development agencies in order to support development in every region. Robust regional development policies will help prioritise strategic investment and support growth across the country.

4. Planning Reform

Shannon Chamber recommends that all planning decisions should be informed by evidence-based and strategic planning policies. The size and scope for the large-scale infrastructure and housing developments that will be developed over the coming years will warrant greater involvement by An Bord Pleanála in Ireland's future economic development. We recognise that a review of An Bord Pleanála's processes is underway, but beyond this review, it is critically essential that:

- The process of making a Strategic Infrastructure Development (SID) application must be as efficient as possible, and decisions must be made within a reasonable timeframe in order to avoid costly delays. The timeframe for An Bord Pleanála reviews of SID applications should be fixed to avoid lengthy delays and provide certainty of timeframe for those applying.

- An efficient planning system for major infrastructure projects is crucial to ensuring that existing businesses can expand and grow within Ireland, and to retain our attractiveness for FDI. An Bord Pleanála should be empowered to ensure that SID applications with the greatest economic impact are prioritised to prevent local economic development being delayed or disadvantaged.

5. Reform Local Authority Funding and Commercial Rates

Shannon Chamber has always maintained that the methodology of calculating and levying commercial rates is archaic and unsuited to the needs of a modern economy. The system, as currently constructed, is a heavy burden on the business community and is real deterrent to rural and regional economic development.

- The current system of Local Authority funding needs to be revised and modernised. We recognise that this will be a long-term goal, but the transition needs to begin as soon as possible. The budgets of Local Authorities are highly dependent of funding from local businesses' commercial rates and this dependence on commercial rates has increased while the Exchequer has decreased its total contribution to the running of local government. We believe that this overreliance is an increased burden on local businesses. The next Government should undertake a review of the current system for funding local government and remove their reliance on commercial rates.
- Local Authorities provide important and innovative services without which local commerce could not flourish. However, value for money must be demonstrated in the levying of rates and the corresponding provision of services. Consideration should be given to benchmarking against similar best practice rating systems in other jurisdictions.
- As indicated by Shannon Chamber at a meeting with Minister Donohoe in December 2015, commercial rates are a particular barrier to some aviation-related activity, most notably MRO and its associated requirement for large 'rateable' hangar space ('dead' space) used during maintenance and/or painting. The fact that this space is subjected to rates is an issue which is preventing many MRO companies from planning or undertaking expansion and this is Ireland's loss. Companies involved in MRO provide a high-level of employment - in excess of 2,000 between Shannon and Dublin. MRO companies are also well positioned to make a real contribution to leasing transitioning, which has been identified as offering real potential for Shannon and Ireland. With most of the top ten leasing companies in the world headquartered in Ireland, who own at least 50% of the world fleet, aircraft transitions are a natural fit

6. Implement a Coordinated Programme to Support Irish SMEs to Export

Ireland considers itself an exporting nation, and while our balance of trade figures is very positive, much of our exports are confined to a small number of large indigenous companies, multinational companies and the FDI sector. As a small, open economy, this concentration of exports within one cohort of companies poses risks. If a small number of MNCs were to relocate their operations, or if changes to international tax regimes made Ireland a relatively less attractive place from which to export, Ireland would very quickly see a significant drop in export levels.

Shannon Chamber suggests that a concerted effort is required to encourage and support Irish SMEs to become more outward looking, to focus on international markets, and ultimately, to scale up. The next Government must foster the development of a new generation of indigenous companies that are internationally focused and export ready.

Conclusion

Shannon Chamber's pre-election Manifesto has been informed by:

- input and commentary from Chamber members;
- consultation with Chambers Ireland; and
- by its interaction with the Atlantic Economic Corridor (AEC), an initiative of the Chambers of Commerce of Limerick, Shannon, Ennis, Galway, Roscommon, Mayo, Sligo, and the American Chamber of Commerce. Collectively, this network represents 73,500 employees, in 2,250 Irish-owned and multinational firms in the mid-west, west and north-west. Participation in the AEC has enabled Shannon Chamber to engage with business and chambers along the western corridor, and in so doing become a genuine partner to both the public and private sectors to drive and deliver a better future for Ireland's western economic corridor.