



**Submission on behalf of Shannon Chamber to the  
Department of Enterprise , Trade and Employment regarding  
the  
Public Consultation for the White Paper on Enterprise Policy**

**July 2022**

We strongly support the existing policy for multi-national companies.

Future policy should build on the success of the High Value Manufacturing sectors.

But there have been significant changes since the global, and Irish, economies since the current Industrial Policy “Ahead of the Curve” was developed in 2004. We need to compensate for the areas where we have become weaker and take advantage of the areas where we have unique selling propositions.

The areas where we are weaker than we were in 2004 are largely related to the fallout from the Great Financial Crisis. Our overleveraged position led us to forgo a decade of infrastructure investment. Having returned to growth, after spending the period to 2013 underinvesting in the economy we are now experiencing capacity constraints throughout the economy.

Considerable investment in infrastructure will be needed to return our infrastructure and built environment to where it needs to be. We can however use the Green Transition as a mechanism for channelling finances towards investment in our Energy/Water/Transport networks in ways that can help our towns and cities become sustainable centres of economic growth.

### **High-level Negative trends since the implementation of “Ahead of the Curve”**

#### **Skills & Talent**

- The high cost of housing is as a cause for employees emigrating and a cause of claims for increased wages.
- Poor access to housing is a drain on productivity; either through repeated, prolonged house searches or through extended commutes to and from work.

#### **Housing & Migration**

- Poor housing options make Ireland a less attractive destination for migrants.
- Ireland does not have the same capacity to import skills from other European jurisdictions, as we did in the early 2000's.

## Energy

- Our energy mix is overly dependent on fossil fuel sources and not as secure as in the past.
- Electricity supply difficulties are resulting in reputational damage as a destination for foreign capital, and a de facto ban on new data-centres.

## Water

- Access to water resources and waste-water treatment capacity are problems for businesses looking to expand in/into, Ireland.
- A lack of effective water treatment capacity is a key reason for rejecting planning permissions.

## Taxation

- Ireland's interests are better served by embracing the international taxation reforms than by retaining the 12.5% rate of corporation tax and damaging our reputation but Ireland must change its narrative to encourage investment here without having to rely on being a low tax regime.

While there are challenges ahead for us, the outlook for Ireland over the next decade is far from negative. We are possibly the best placed of the European economies to take advantage of the opportunities that are before us. Particularly in the area of renewables, but also because of other long-term trends that we will be able to take advantage of over this decade.

## **Potential sources of growth over the next decade**

### Untapped Green Energy Resources

- Government needs to ensure that MARA operates as an "IDA for the sea".
- More ambitious offshore energy policy is required to mirror the growth of peer states (e.g Scotland).
- We should utilise REPowerEU, to fast track grid upgrades and make our electricity networks more resilient and effective.

- Hundreds of billions of euros of infrastructure is required to harness the energy of the Atlantic. This will translate into regional development, and highly-paid jobs in underdeveloped and disadvantaged parts of the country.
- Large energy users could be incentivised to transition, to reduce our dependence on imported fossil fuels while also catalysing a Green Hydrogen industry.
- We must use our underutilised harbours to export Compressed Green Hydrogen, and Green Ammonia to continental Europe.
- Ammonia created using Green Hydrogen can be used in jet turbine and diesel engines as fuel, to help decarbonise the international transport sector and can also be used as an alternative to fossil fuels to create nitrate fertilisers for farming.
- Using biomass, biowaste, farming and foodwaste to produce methane can maximise the lifespan of existing natural gas investments, while reducing the impact that naturally released methane would have on the atmosphere.

### **Brexit & Trade**

- The Island of Ireland should position itself as a logistics hub for businesses seeking to trade with both GB and the EU.
- We need to integrate rail with our ports, to facilitate smaller vessels that will have access to less strained EU and GB ports, and to support imports and exports to the US and Asia.
- Being the primary English speaking and common law country in the EU will help compensate for no longer being able to distinguish ourselves from other EU countries on the basis of taxation.

### **Deglobalisation**

- Friend-shoring and near-shoring production will lead to higher costs, shorter supply lines, and reduced inventory.
- Ireland should focus on high-value advanced engineering processes involving additive manufacturing.
- Ireland needs a large, excess electricity capacity to become a home for energy-hungry manufacturing, where products are destined for the EU market.

## **Cybersecurity**

- Ireland's weak cybersecurity is a serious business concern, especially for MNCs contributing substantial Corporate Income Tax.
- Ireland requires a cross-departmental public sector agency to pre-empt such threats.
- The strategy should involve a civilian cybersecurity agency which collaborates with Justice officials, the DPC, industry, security experts and our third level sector to actively combat cybersecurity threats.
- The national cybersecurity agency needs have an educative mission, be put on a legislative footing and mandated to conduct penetration testing on state bodies.

## **Creative Industries**

- Given our oversized global creative industries footprint and the fact that English is the primary international language in the global entertainment industry, our growth in exports for this sector has been relatively weak.
- We need to scale our cultural exports like the Republic of Korea has done, with a systemic focus on entertainment (broadly defined) as an export industry, to facilitate a strong domestic, indigenous sector. This would increase our tourism income and develop our soft-power internationally.

## **Underutilised domestic capacities**

- The considerable infrastructure deficit across many areas (including housing, transport, energy, and water) has significantly constrained our domestic economy.
- The Department of Finance must reduce our Debt/GNI\* ratio. It can do this by either reducing the absolute levels of Debt which the state owes, or growing the denominator.
- The regulatory environment for businesses not typically supported by the state should be simplified - we need to consolidate employment law, rather than create new bills for micro issues.

- Most businesses will never be High-Performance-Startups, and HPSU's will never be large employers in Ireland as they will typically have to break into the global market if they are to scale up.
- We need to develop an outward-looking medium business sector that trades internationally. For as long as our medium sized businesses remain focused on our domestic economy, they will be vulnerable to shocks that alter their sector which emerge from abroad.
- Government should optimise the construction industry by buying tens of thousands of modular homes per annum, over the next decade, or potentially decades to come.

**Helen Downes**  
**CEO, Shannon Chamber**

Shannon Chamber is the representative body for over 300 businesses in the greater Shannon area in County Clare, and its reach extends to approximately 15,000 employees.

Formed in 1995, the Chamber is now recognised as one of the most progressive and fastest growing chambers in the country. Its membership is drawn from a diverse set of categories, encompassing manufacturing, retail and service industries.

Clients of the Chamber include world-class companies operating in sectors such as aircraft leasing, aircraft maintenance repair and overhaul (MRO), pharmaceuticals, medical devices, ICT, international services, engineering and logistics.

Many different client categories are represented, including multinational companies, indigenous SMEs, sole traders and investors seeking to locate a business in the area.