



Trade Tourism and Investment, Asia-Pacific and Americas Strategies

A written submission to the Department of Foreign Affairs and Trade
on the new Trade, Tourism and Investment Strategy (to 2025)

Consultation Questionnaire – Trade Tourism and Investment, Asia-Pacific and Americas Strategies

Please complete the following questionnaire and return it to **strategyconsultation@dfa.ie** by the strict deadline of **Friday 6 January 2017**. For further information or clarification please contact **strategyconsultation@dfa.ie**.

Respondent: Irish Exporters Association

Region: National

Sector: Export

The new Trade, Tourism and Investment Strategy (to 2025) will have four primary functions. Those functions are set out below along with relevant questions for consultation.

If you wish to provide comments to these questions related to specific regions or countries, please highlight this in your response. Questions are also posed which relate specifically to the new Asia-Pacific and Americas strategies, which aim to highlight particular aspects associated with operating in those regions.

Please provide answers that are as specific as possible based on your remit, expertise and experience.

Not every consulted group or individual will be in a position to answer every question – please enter N/A where a question is not relevant.

Function 1:

To act as an overarching framework by drawing together and aligning goals relating to international trade, tourism and investment from existing relevant and recently published strategies in economic and sectoral areas.

Question:

In the context of global uncertainty, based on your remit, what are the top 3 national objectives that should be set out for the Trade, Tourism and Investment strategy? (If the objectives relate to an existing strategy, please identify that strategy.)

Response:

1. Competitiveness

- a. - control the cost of government Infrastructure development - both physical and broadband
- b. Affordable housing –current situation is driving up the cost of employment and will negatively affect our ability to attract top talent with all these FDI jobs

- c. Income Tax. We need to do more to loosen the burden on working people – across the spectrum. Nobody speaks up for the middle – but they are crucified. Our ability to attract and maintain talent will be affected by decisions on this
- 2. Ensure we maintain the highest standards of education in STEM subjects, move more programs to include (9 month minimum) work placements. This is going to become ever more important as we witness the rural displacement of low skilled labour, as a result of Brexit and (hopefully) continue to attract high skilled FDI jobs – we’re facing a mismatch now
- 3. Doing more to create more large global Irish companies, we have squandered the relative wealth of the last 20 years – so much more could have been done and needs to be done now. We still need to retain a competitive entrepreneurial tax and support system for smaller businesses. We are going to face an increasingly bigger competitive threat from our nearest neighbour once outside the EU and Customs Union
- 4. We need to make it easier for mid-sized Irish companies that may not exactly fit the EI remit to access R&D funding support in as red-tapeless environment as possible. Some companies tell me that they have outgrown the size criteria for this support and are crying out for it.

Function 2:

To set out the dynamic global environment in which Ireland trades and attracts investment and how Ireland can respond.

Question:

- a. What do you see as (i) the opportunities and (ii) the challenges for Ireland’s international trade, tourism and investment, including in the Asia-Pacific, Americas and EMEA regions, over the next 5-10 years? Your response can include overarching and/or sector specific observations (for example connectivity, regulation, visas).
- b. What are the top 3 strengths/characteristics that position/differentiate Ireland within a global context that we can further build upon?

Response:

- a.
 - 1. Post-Brexit Ireland will be the main English speaking entry point to the EU. Asian countries only tend to learn one foreign language and that’s English. Therefore we should be redoubling our efforts to attract FDI from these economies.
 - 2. Our relationships with partners is strong, we need to ensure these are protected and fostered. However we are going to face a particular challenge in that we are potentially going to be squeezed between a North Atlantic Trading Bloc comprising USA, UK, possibly Canada, Holland, and whatever remains of the EU after this year. We need to start planning for this possibility now.
 - 3. We are potentially facing a perfect storm –
 - Brexit with the UK outside the Customs Union, jobs moving to the UK to secure that market whilst our products (most notably our Beef), could be substituted with cheaper product.

- A reduction, or at best a stalling of US FDI (particularly Pharma) into Ireland and an attack on our Corporate Tax policy.
 - Our position in an EU that has gone 1 of 3 ways – More federalist, 2 Speed, or disappeared as we know it.
- a. Ireland is still seen as a clean unpolluted environment, we must keep that and use it to our benefit.
 - b. WE are seen as having a stable political environment also, good for doing business in, again to be minded and used.
 - c. . A challenge we face in doing business outside the English speaking world, we need to invest more resources in language development for students, use of the various EU programs and develop linkages with non EU countries.
 - d. We have a solid base in place, we need to maximise the benefits of that. Use the existing base to attract other entrants. Ensure the business environment is positive for FDI. We speak English and are at the centre of the "time zones" which makes doing business both east and west that bit easier. While we have 3-4 million people in the country, there are 60+ million who claim to be / want to be Irish - use the diaspora! We do not milk it enough.

Function 3:

To provide strategic direction and coherence to activities at home and abroad, including on Ireland's international profile as a dynamic, integrated, innovative and globalised economy;

Question:

- a. In what way does the State's current co-ordinated approach (i) in international markets, and/or (ii) at home, address the challenges and the opportunities identified above?
- b. What more could be done to improve on the approach?

Response:

- a. Internationally we do well, we are seen to be co-ordinated and aligned. This helps, we can get access to Government when required to help pull initiatives (prospects) over the line. At home we are not quite as coherent, we need to act quicker when things need to be done. See the Apple in Galway as a case in point, we have been outpaced by Holland (?) to build a data center - not good enough.
- b. We are too fragmented across the Government Departments and Agencies in terms of our approach at home. There are still ridiculous turf battles going on that hamper progress and an agency that won't engage outside of a very insular view of what it's remit is. Somebody needs to be placed in charge of all of these efforts with a clear responsibility for them all, with them all accountable to them, and a clear mandate to bring this together. Other countries are far better co-ordinated
- c. Our various organisations "selling" the benefits are doing well but could do better by combining resources. A better clarity on who is doing what would help.

Function 4:

To set out an approach to mature and new markets to ensure optimal market penetration and diversification in the context of constrained resources and the long-term resilience of the Irish economy.

Question:

- a. In your opinion, what are the different approaches taken and/or needed depending on (i) maturity, (ii) culture and (iii) Ireland's presence (Embassy and State agency network) in different markets?
- b. What do you see as the critical success factors for Ireland in maximizing market opportunities at regional level?

(Please make specific reference to Asia-Pacific, the Americas and/or EMEA regions, as appropriate.)

Response:

- a. In the Asia markets, where we are immature in terms of presence, we need to partner up with multipliers that can help extend our reach. For instance the UK has a relationship with the CBBC (China Britain Business Council) that greatly expands its reach. It is my understanding that the China end of the CBBC has a similar contract for the EU. We spend a lot of money on expensive civil servants overseas (who by and large do a good job) but we could get much more bang for our buck by hiring local expertise.
- b. Organisations such as ours the Irish Exporters Association is a multiplier at home and with appropriate funding from Government could work alongside the agencies/DFAT to help more Irish companies to export. We all share this space and that needs to be realised.
- c. Linking into our 3rd level educated "Irish/local" diaspora more closely.
- d. Greater co-ordination across the various in-market state employees, placing them in the Embassy physically and with a shared brief – otherwise known as sweating the assets. Perhaps each individual state employee is too individually focused on their own remit.
- e. USA and Americas we need to be willing to be more open to help Irish companies that don't fit the EI bill. Other countries are doing this and we are missing a trick. A lot of our members do not qualify for EI help and yet they are exporting.

Metrics / Targets

The TTIS will set out metrics at appropriate levels by which impact can be monitored and assessed over the period to 2025.

Question:

- a. What trade and investment related strategic targets are set out in the strategies listed in the *Note for Stakeholders* that would be appropriate to include in the new strategies?
- b. In addition to quantitative metrics set out in the listed strategies, what qualitative factors could inform success and how might these be measured?

Response:

- a. Need to have a set which is focused on hard-numbers. So from an exporting point of view: Markets penetrated, actual business won – and delivered, number of sustainable jobs created back home, increase in profitability at home – this is what actually matters, the other softer items are just a means to getting there.
- b. The individuals who are helping Irish companies to succeed abroad need to have individual targets that are rigorously measured and managed.

Asia-Pacific and Americas cross-sectoral Strategy Questions

Question 1: Asia- Pacific

- a. From your experience, where can embassies and state agencies further facilitate engagement with governments and local authorities in the Asia-Pacific region to support opportunities and mitigate risks in the region?
- b. How can we avail of regional developments, such as the negotiation by the EU of FTAs with countries in the region, or the establishment of the ASEAN Economic Community?

Response:

- a. There is something to be said about Brand Ireland that Tourism Ireland and Bord Bia are excellent at selling – their stories are not a million miles apart – we need a broader Brand Ireland strategy for all our foreign interlocutors
- b. See my note above re the CBBC. We need to have it as a core objective within our overseas civil servants that they are seeking to be on the Boards/Councils of the local Chambers – that way they are inside the fence rather than outside looking in.

Question 2: Asia-Pacific and Americas

- a. What actions or mechanisms do we need to enhance our understanding of the Asia-Pacific and Americas regions?
- b. How can we best communicate developments in the region across Government (in political, cultural, trade, educational, tourism spheres)?
- c. What skillsets are needed in the next five years to ensure an appropriate system-wide response to identifying and availing of opportunities in the regions across all dimensions of the strategy?

Response:

- a. More senior locally engaged people who we will allow to make big decisions
- b. Brand Ireland would be a start
- c. Flexibility – we are going to face a rapidly evolving background Geopolitically, Resilience – we are going to face some hard-knocks. Persistence. Language, Culture, Foresight – we need to be thinking 10 years ahead now and planning for it. We're not.

Question 3: Asia-Pacific and Americas

- a. What approaches can we adopt to build Ireland's profile in the Asia-Pacific region and in those parts of the Americas where awareness of Ireland is relatively low?
- b. Is there a particular country or sector that you can comment on?
- c. Should efforts to increase visibility of Ireland be targeted at the general population or at key sectors and stakeholders?
- d. What key Irish strengths, characteristics, and values will have the most resonance in these markets?

Response:

- a. Brand Ireland & more senior influential local hires, see my previous comments
- b. See comments on Tourism and Bord Bia Ireland – they are doing an excellent job
- c. If we have a Brand Ireland approach it will hit multiple sectors at once, including population sectors and stakeholders.
- d.

Additional Questions for all Strategies

Question 1:

Please provide a brief outline of any concrete good practice (including from competitor countries) which could be highlighted for consideration in the new strategies which has not been mentioned elsewhere.

Response:

1. UK has a blend of State and Private local hires which is superior to ours. The 2 are integrated and the senior local hires have a lot of say.
2. UK's support for exporters is open to all UK companies – irrespective of size or EI type qualification
3. UK system (German too) works very closely with Business groups abroad and at home to expand their reach.

Question 2:

What communications mechanisms would facilitate the further systematic exploration of the nature / scale of areas of in-market opportunity?

Response:

1. We as a nation are not systematically gathering and sharing opportunities in market for our companies
2. If our agencies had a single name – were a single entity they could probably share a single CRM system.