

IEA Submission: Review to Renew Ireland's National Development Plan (NDP)

Irish Exporters Association submission to the Department of Public Expenditure and Reform

19 February 2021

Overview: The Irish Exporters Association

The [Irish Exporters Association \(IEA\)](http://www.irishexporters.ie) is the leading independent representative body and voice of exporters based in Ireland. The IEA represents exporters and supply chain operators across the country and works at regional, national, and European level, representing its members in front of legislators to support a regulatory and legislative framework that drives, and fosters Irish exports.

We assist our members to grow their exports to world markets and drive the growth and development of all exporting businesses based in Ireland. We provide a set of highly relevant business services and products to assist our members with international trade.

- We **represent** the needs of members in the development of policy, lobbying, intervention at Government and EU level and in the media. Our policy priorities include Covid-19, Brexit, Market Diversification, Sustainable Trade and Investment and Trade Compliance.
- We offer **trade services** in the form of practical training, support, and advice right across the supply chain including customs training, Goods Distribution Practice (GDP), export and import compliance, consular, business travel support (visa and export documentation), route to market and general assistance with trade related queries.
- We have created **knowledge networks** among our membership to support members in exploring new markets, route to market scenario planning, understand customs and supply chain challenges and provide thought leadership through a series of events and webinars. Networking and connectivity remain an important part of membership benefits. Our Export Industry Awards programme is our flagship event that celebrates the achievements of exporting companies and highlights the importance of the export sector to Ireland.

The IEA represents the whole spectrum of companies within the export industry including SME's who are beginning to think about exporting for the first time right through to global multinational companies who are already extensively exporting from Ireland as well as the providers of key services to the sector. Given the nature of trade, we also work with companies that import, giving us a key insight into issues arising from export to import. The IEA is the connecting force for Irish exporters, providing practical knowledge and support across the Island of Ireland and in foreign markets. The IEA remains a key interlocutor between businesses and policymakers to address challenges faced by exporters and harness opportunities.

Introduction

We welcome the opportunity to contribute to the *Review to Renew* public consultation on the review of the National Development Plan (NDP) and we would like to thank Minister Michael McGrath TD and the Department of Public Expenditure and Reform (DEPR) for the possibility to do so and the initiative to take account of the changed world in which we live owing to Covid-19. The NDP is wide reaching, and we welcome that it is complementary to the National Planning Framework (NPF). It is important that Government policies are cohesive and that plans that encompass wide fractions of society work towards the same aims and targets.

We have prepared our submission in conjunction with our [National Council](#) and [Regional Network groups](#). Our submission is drafted in such a way that it addresses our policy priorities for 2021 and addresses the changed world we live in due to Covid-19, which brings opportunities to address the ongoing climate crisis. Our policy priorities include:

- Covid-19
- Brexit
- Market Diversification
- Sustainable Trade and Investment
- Trade Compliance

Responses to questions poses by the Department of Public Expenditure and Reform

1. Is the overall level of public spending on capital investment correct?

Answer:

No comment.

Rationale:

No comment.

2. What should the capital budget be spent on?

Answer:

Climate action and economic prosperity go hand in hand. We call on all Government Departments to identify how changes brought about by the pandemic can make a positive contribution to addressing the climate crisis. Ways in which we live, and work have been altered and these alterations may go some way in helping us achieve climate targets. Therefore, we call on DPER to allocate greater funding in education and skills essential to achieving our climate targets. This in turn would ensure that the business, enterprise, and innovation sectors have the necessary skills pool available to drive on sustainability as a core business strategy.

Raising awareness about the ongoing climate crisis is needed. While Covid-19 has dominated the airwaves, and rightly so, the climate crisis continues and this needs to be brought back under the spotlight. The IEA stands ready to work with the relevant departments to ensure that businesses are part of policy discussions on bringing in the appropriate measures to curb climate change. Previously we called for the establishment of a business focused stakeholder group, led by the Department of Environment, Climate and Communications (DECC). We take this opportunity to reiterate this call. We believe that the current spend of 4.9% of capital expenditure on Communications, Climate Action & Environment is not

enough to deliver on commitments made in international agreements on climate change enshrined in the EU Green Deal. In the next question we go through certain areas that should be considered for investment under the NDP in order to ensure that climate action is at the heart of the review.

Rationale:

The European Green Deal has the potential to drive a green-led EU economic recovery and Ireland will have not only have to play its part, but with its abundant natural resources for renewable power has an opportunity to exploit this position. Allocating more funding to fill the current skill gap in sustainability and climate action would be of benefit to the business community, that is ready to play its part.

3. What types of capital investment should be prioritised?

Answer:

Rural Development: Increased numbers of employees engaging in remote working presents an opportunity to retain employees in rural areas, which in turn will contribute to vibrant rural regions, as well as a rebalancing potentially of property prices. A crucial element that should be taken account of in the NDP is the need for investment into essential amenities in rural areas. The Government's National Broadband Plan must be expedited. This is a key area where the NDP and the NPF overlap and must complement each other. Without essential connectivity, the opportunity for people to live and work in greater numbers in rural areas will be lost. The setting up of enterprise/ digital hubs in rural areas would be a key investment area for the NDP.

Airports and ports: We support the continued development and improvement of Ireland's ports and State airports by the relevant responsible commercial State-Owned Enterprises (SOEs). Air and sea are crucial for Irish exporters to have a greater opportunity to maintain their position in existing markets and enter new markets, which in light of the turbulent trading conditions due to Brexit and COVID-19, is extremely important. All investment plans for sea and airports should make provision for landside infrastructure and facilities for the development of connectivity of the ports and airports with their hinterland. Irish exporters stand ready to play our part in the Covid-19 economic recovery and pave the way for future economic prosperity and therefore exporters and importers need the connectivity tools available to fulfil this.

Climate Action: We welcome that the NDP works in tandem with the national objective of transitioning by 2050 to a competitive, low-carbon, climate-resilient and environmentally sustainable economy and society.

Rail networks: We encourage the further opening of nationally linked regional rail networks to enhance connectivity within regions and also with cities, ports and airports. This will benefit rural regions in both reaching economic and social potential in. The use of rail networks would also contribute to a greener supply chain, as a low carbon and potentially low-cost mode of transport for freight. Inter-modal connectivity will be key to this potential.

Distribution hubs: Considering the complexities that Brexit has brought to trading, our position at the crossroads of trade and relations between the EU, US and the UK, we have a clear and present opportunity to develop Ireland as a centralised distribution hub for the EU. Setting up such hubs for onward distribution to the EU market, is a strategic move and would contribute to seamless movements of intra-EU trade. The South-East of the country with its access to Dublin Airport, Dublin, Rosslare and Waterford and Cork Ports, seems like the logical place to create such an area. We believe that this may become key to retaining and growing FDI into Ireland.

Rationale:

Considering new working arrangements, remote work should be a catalyst to improving rural and regional development. Given that more workers remain in rural areas, amenities and resources will need to be developed and investments made in these areas.

Connectivity to world markets is key to the economic recovery and indeed this connectivity begins with connectivity at home. Ireland's airports and ports need to be easily accessible by investments into the local area.

Setting up a business focused stakeholder group to contribute to climate action measures is an important step going forward to ensure that businesses and relevant sectors of society can contribute to necessary climate measures that the NDP can bring in.

The development of the rail network feeds into the connectivity piece for both citizens and business and is also a key tool in reaching climate targets.

Brexit brings some opportunities and one such opportunity is for Ireland to become a key distribution hub for the EU.

4. How can the management and governance of public investment be improved?

Answer:

The appointment of experts from outside the public sector to monitor the progress of capital development projects and to report of progress is vital.

Rationale:

We believe that the appointment of external experts is vital to ensure the independence of monitoring the progress of public investment projects.

5. How is the NDP is affecting your region?

Answer:

We are a national organisation that represents Irish exporters based throughout Ireland across a number of key sectors, particularly supply chain actors.

Rationale:

As above.

6. What is your feedback on Project Ireland 2040 communications?

Answer:

No comment.

Rationale:

No comment.

7. Is there anything else you would like to add?

Answer:

FDI attractiveness and sustainability: Efforts to tackle climate change and support the transition to more environmentally sustainable practices, that many businesses have already committed to, should be brought to the fore in the review of the NDP and guide the work of the Minister and the DPER. In terms of continuing to attract foreign direct investment (FDI), it is a perfect time to repositioning Ireland as a hugely attractive place for sustainable FDI. Having attracted flows of FDI for some time, Ireland retains its attractiveness, though questions are being raised about our distance from the continent along with our decoupling from the UK. We need to ensure that we do not become complacent, and now is the time to create a competitive advantage built upon our green island international branding and reconfigure our approach to ensure that investments achieve social, economic, and environmental objectives.

In line with EU transport policy: We note that under the TEN-T, the EU is calling for *“Europe’s transport infrastructure policy to be strengthened to enable an accelerated market penetration of vehicles and vessels with zero and low emissions of greenhouse gases and air pollutants. Strong emphasis must be placed on infrastructure quality enhancements, aiming to boost efficiency, and taking up new developments in transport, such as digitalisation and automation. New pricing approaches in transport, including environmental externalities, have to be taken duly into account. Synergies with other sectors, such as energy and digitalisation, shall be strengthened.”*

We call on the Minister and DPER to ensure that proposals under the NDP are in line with current and future EU policies.

The island of Ireland dimension: The NDP must take into account the island of Ireland dimension in the development and execution of projects.

Recover and thrive: Looking to the future, Ireland is, and will remain, a hugely attractive place to do business and a gateway to the EU, particularly as a geographical bridge between the US and the EU. The IEA believe that in time, we will see and capitalise on opportunities arising from the UK’s exit from the EU, which may be difficult to see at the moment given new formalities and efforts to curb the spread of Covid-19. We call on the Minister at DFER to take account of possible opportunities arising from Brexit and Covid-19 in its review of the NDP.

Rationale:

We believe that continued flows of FDI will go a long way to reaching the aims and objectives of the United Nation’s Sustainable Development Goals (SDGs), once the investment is sustainable. While achieving the UN SDG’s is a common responsibility for the international community, there needs to be a leader, and Ireland with its open, internationally trading economy, can bring that leadership.

It is important that policies at home take account of EU ambitions that have to be met. We highlight TEN-T proposals as an example of EU ambition for EU transport. The NDP must take account of EU ambition, particularly in light of the fact that the period of the reviewed NDP 2018 – 2027, runs in parallel with the EU’s programming period from 2021 – 2027.

The NDP must take account of the island of Ireland dimension in its review to ensure the coherence development and execution of projects.

Looking to the future, we are calling on the Minister and DP&R to ensure that this review takes account of possible opportunities arising from Brexit and build these into future national development plans.

On behalf of the IEA,

Simon McKeever
Chief Executive

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