

IEA Submission: Vision 2030

Irish Exporters Association submission to Enterprise Ireland

01.07.2021

Overview: The Irish Exporters Association

The Irish Exporters Association (IEA) is the leading independent representative body and voice for 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 create a regulatory and legislative framework that supports, 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. Brexit and the Diversification of Export Markets, Trade Compliance, Climate Change & Sustainability and their impact on Irish exporters are core to our work.
- We offer **trade services** in the form of practical training, support, and advice right across the supply chain including our Certificate in International Trade, customs awareness, 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 our 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. The IEA is the connecting force for Irish exporters, providing practical knowledge and support across the Island of Ireland and in foreign markets.

Introduction

The IEA welcomes the opportunity to contribute to Enterprise Ireland's Vision 2030. The development of a multi-year strategy to chart the course for the growth and global competitiveness of Irish industry to 2030 is timely given the many new challenges that Irish businesses have been facing and will face in the coming years. Addressing the climate crisis through actions and measures set out in the European Green Deal and the Climate Action and Low Carbon Development Bill 2021 will be key to curbing greenhouse gas emissions and this should be a key focus for enterprise policy in the coming years. Moreover, helping our indigenous businesses to understand these challenges, as well as the opportunities that will present, to prepare, adapt and innovate, will be key to future-proofing our economic prosperity.

Questions & Responses

1. What are the key challenges and opportunities for the Irish economy to 2030?

We are committed to supporting our members and the wider supply chain in contributing to EU and national efforts to achieve a 51% reduction in emissions by 2030 and a carbon neutral economy by 2050. Achieving such an aim requires buy in from all sections of society and everyone is required to make changes to the way in which we live. Addressing and tackling climate change, as well as sustainability in all its 17 forms as defined by the United Nations, are key challenges for the Irish economy to 2030 and beyond.

Sustainable Trade and Investment is a key policy priority for the IEA. Efforts to tackle climate change and support the transition to more environmentally sustainable practices, that many businesses have already committed to, need to be brought back into the fore and considered as part of Ireland's overall economic recovery strategy. Exporters, importers and supply chain actors know that changes to operations will have to be made. The establishment of a business focused stakeholder group that involves the Department of Environment, Climate and Communications, the Department of Transport and is led by the Department for Enterprise, Trade and Employment with input from relevant departments and agencies, including Enterprise Ireland, would be highly beneficial in the efforts of groups such as ourselves to inform members of what practical steps they can take to achieve EU and national aims and to call out the challenges and opportunities ahead. This group should bring together business representative bodies from across key sectors. The key challenge will be to help our indigenous businesses to understand and adapt to the specific operational changes that will be required and EI must play a central role in supporting this transition, and will need to repropose some of its programmes to enable this; otherwise, we will lose the imperative and get left behind globally.

The impact of Brexit will continue to feature as a key issue for Irish exporters, importers and supply chain operators. Irish exporters prepared for Brexit and have shown resilience in adapting to new trading arrangements with our nearest neighbour. Great Britain will remain a key market for Irish exporters due to the inherent similarities and familiarities that exist - customer taste and indeed the very size of the UK market boasting of a population in excess of 66 million. For this reason, Irish enterprises will continue to utilise the British market and therefore will need to be accustomed to trading formalities.

Exporters will continue to look for support to enter new markets. Covid-19 and the restrictions that have come in to curb the spread of the virus internationally, has considerably impacted air connectivity for trade. We have raised concerns about the impact of Covid-19 on global air connectivity and how this limits traders to get goods on and off the island, to supply existing and future markets for Irish goods. Building up connectivity to pre-Covid-19 level is a key challenge for exporters and importers.

IEA members also cited the below issues as key challenges:

- Recruitment of production staff is a key concern for many Agribusiness companies

- Accommodation availability for these staff in local towns and villages
- Market access to new countries outside of the EU (particularly China & ASEAN countries).

2. What do Irish companies need to do to respond to these challenges and opportunities?

Irish companies need financial support/incentives and training in actions they must take to operate in line with climate and sustainability targets. These will be required at both a strategic and increasingly operational levels. Companies are going to have to make changes to how they operate. By and large they are in the dark about the scale and nature of this and will need to be given considerable help with this.

Most exporters in Ireland are also importers and this is where we will see a particular challenge. As supply chains become more regional and local, for example as we move to source less from the UK and parts of the Far East, the EU and North America will become increasingly more important to Irish supply chains. Companies will need assistance to make these changes, to switch suppliers and to become more integrated into EU and US and Canadian supply chains.

In terms of exploring markets, Irish companies need to become more aggressive in their market research and abilities to supply other markets. Educate themselves more on the new markets and requirements to enter them / customer tastes and preferences etc. Spending time in the new markets to understand them better is a key and should feature as part of a companies plans to expand into a market.

3. Where should EI strive to have most impact for the economy and society by 2030?

- Integrating Irish companies into those more locally based supply chains as described above.
- Promoting sustainable trade is a key area that EI should continue to focus on and intensify in the years to come. Environmental legislation is going to become more onerous on companies in the next 10 years. EI should be encouraging investment in areas such as:
 - Anaerobic Digester plants owned and operated by local authorities
 - Investment in warehousing and logistic hubs throughout the country
 - Transport links / encourage move to electric vehicles etc.

4. Do you have any additional comments in respect of Enterprise Ireland's strategy development? (e.g. our work with stakeholders/the enterprise landscape/your organisation)?

We believe that EI can deliver more by working with partner organisations to deliver its requirements and should continue to adapt towards this model. IEA Members cited that where they are EI customers, they have very positive engagement with EI and urge that this continues. We have gathered the below feedback from members that EI may want to take into consideration in its planning for 2030:

- There is a need for an increased focus on the need for integrating language training in 3rd level institutes with export and import marketing. We are increasingly dependent on non-English speaking markets both from a supplier and a customer perspective
- With the sharp increases in import costs for raw materials, for construction and food processing, there should be a renewed focus on developing the supply base in Ireland for Key ingredients, e.g. timber, flour, sugar etc.

- There is an opportunity to further develop the transport and logistics sector in Ireland, supporting the domestic and global market. Should EI + IDA establish Regional COE's to develop the skills required for this sector?
- I would encourage a closer relationship between geological research in Ireland and industry. What are the current economic reserves for instance of Lithium and Cobalt. These minerals are vital to the EV industry.
- Are we adequately developing our freshwater rivers and streams in Ireland, for small scale organic food production? There are numerous freshwater rivers and streams in Ireland which could potentially be developed for rural employment purposes.
- Could Ireland be developing additional food brands and producing more specialised food products for domestic and export markets?
- EI may want to undertake an in-depth import substitution review of products that are being imported into Ireland.
- Finally, with the increasing levels of e-commerce sales I believe there is a requirement for an in-depth study to establish competitive and streamlined on-line channels to market for Irish SME's. With the growing dominance of platforms such as Amazon, how can SME's best position their products on global trading platforms?

On behalf of the IEA,

Simon McKeever
Chief Executive

DATE 01.07.21