



An Roinn Fiontar, Trádála agus Fostaíochta
Department of Enterprise, Trade and Employment



Jobs and Growth 2010

Tánaiste's Foreword



Ireland's economic prosperity has been inextricably linked with an openness to trade and investment. Ireland has enjoyed huge gains in terms of growth and job creation when our business sector has had the opportunity to compete fair and square in foreign markets. There is something in the national characteristic that underpins this success. We are an outward looking, innovative and adaptable people, with decisiveness in our business relations.

The global recession unfortunately has set back our progress and in common with many other nations we have to reposition to regain our upward growth path. The global banking crisis and the domestic slowdown have put severe restrictions on the availability of corporate funding. Domestic recession has led to significant reductions in tax revenues and put pressure on the public finances.

The Government system has had to adapt and be decisive. The wider economy cannot survive let alone perform to its potential if it cannot access short and medium term finance. The Government's first priority therefore was to breathe life back into and stabilise the banking system. Nor can the wider economy perform to its full potential if Government spending levels lead to expensive borrowing or higher levels of taxation. By bringing spending and income into line, the Government took the only course of action that would put the productive economy on a sustainable footing. Many International Bodies have supported Ireland's decisive action and believe that we are on the right track. Importantly too, the international funding markets have shown their faith in the Irish economy by lending at improving interest rates.

But while we tackle the problems of banking and public spending, we must get ready for the upturn. Ireland needs the global economic recovery to take hold and must be ready to improve productivity and drive export led growth and job creation. The role of Government is to help create the right conditions for enterprise to grow and prosper. The Government plays a key role in ensuring access to markets, providing an appropriate regulatory environment, maintaining a pro-business tax regime and by providing a targeted suite of enterprise supports.

The reality is that competing on the basis of the quality and added value of our goods and services is the only long-term basis for creating successful companies and high skilled employment. That is why the Government has, despite the financial pressures, continued to focus on the key policies and investments that will see us become stronger and more competitive in foreign markets. This Statement sets out the policies and actions that we are taking to both maintain and grow employment. These policies and actions are key to the success of the Government's Smart Economy objectives.

We are confident that we can fulfil the aspirations of our citizens to participate in the economy and to provide a hopeful future for our school and college leavers. The latest independent economic assessments agree that following last year's tough decisions, we can look forward to the economy growing again in aggregate terms later this year.

We look forward to positive year-on-year growth returning in 2011. This is our ambition and the determined mission of the Irish Government.

Mary Coughlan T.D.

Tánaiste & Minister for Enterprise, Trade & Employment

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Executive Summary

As a small open economy, Ireland has long had the reputation of being resourceful, flexible and inventive. We have shown this already in the decisive actions taken in the past 18 months adjusting to the intense challenges faced in dealing with the banking crisis, restoring the public finances, improving our international competitiveness and sustaining employment.

Now our priority is to build on these achievements as we continue to adapt to the changing world and changing economic circumstances. As the world moves forward from recession into growth there are new dynamics at play. The balance of economic power is shifting with emerging and high growth economies becoming more important markets, competitors and partners in trade and investment. The areas of economic activity have equally shifted from more traditional sectors towards greentech, services and high value manufacturing.

There is no single policy or strategy that will return our economy to high employment and sustainable enterprise growth. This is why we present here a multi-faceted approach around these twin aims. Our jobs and growth objectives are supported by “a whole economy” approach, within the Smart Economy framework, aimed at delivering the conditions needed to boost productivity, grow exports, sustain jobs and increase wealth across the whole economy. The role of Government is to help create the right conditions for enterprise to grow and prosper.

This Statement brings together our key strategies for growth, economic renewal and the development of a sustainable, internationally trading enterprise base for the creation of jobs.

Key features outlined in the ten chapters are as follows:

- Recovery in Competitiveness: Business costs are falling: wage bills, asset prices, energy and prices in general have responded to the effects of recession and corrective Government action. Competition in key sectors of the economy is being intensified.
- Investing in people: Retraining people who have lost jobs; developing higher skills in the education system and in the workforce; and identifying the skills needs of the future continues to be a centrepiece of government policy.
- Investment and Jobs: Growing and attracting companies with global business potential – whether science based, high-tech manufacturing, international services, value-added agribusiness, education, health, tourism and leisure.
- R&D and Innovation: Investing heavily in R&D, in universities and colleges and in industry to provide the skills and technologies that will give Irish companies a global advantage.
- The Right Environment: The tax system is purposefully pro-business and fine-tuned to ensure it is internationally competitive. Our regulatory environment is smart and fair and we aim to further improve administrative cost savings for business in our “better regulation” programme.
- World Class infrastructure: Maintaining a high level of capital investment in transport, energy and broadband infrastructure, which are fundamental to business operations.
- New Jobs and new Sectors: Looking out over the horizon to the technologies and sectors which will drive global business opportunities and economic growth in Ireland – sectors that are fundamental such as health, education and green technologies, financial services, information technology, food, construction and tourism.

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- Green Stimulus: Government spending for 2010 commits over €1 billion to programmes that support and stimulate the green economy, upgrade essential environmental infrastructure such as water and protect our rural environment. Ireland's 'new green deal' sees a transition to a low carbon economy, the promotion of green enterprise and the creation of 'green collar' jobs. This strategy is already paying dividends, fostering a new generation of innovators, supporting exciting collaborative projects and delivering future sustainable solutions to the marketplace.
- Global Market footprint: Maintaining share in our major markets and growing our trade in the new markets of Asia, Russia and the Middle East. We are supporting Agencies that deliver our policies on skills, innovation, marketing, and entrepreneurship. We are using our "Green" brand with a renewed purpose and vigour to win jobs and investment and to build networks and links with new markets.

Conclusion

The economic outlook for 2010 has improved. Reflecting the change in growth away from domestic demand towards external demand, the current account position of the Balance of Payments is expected to improve this year and move towards a modest surplus. Ireland is well positioned to take advantage of the global upturn through the actions that it has taken and the policies which it is driving at present.

The outlook for 2010 and beyond is improved from expectations this time last year. We have focussed our efforts on devising, implementing and progressing forward-looking enterprise policies. Our work programme for 2010 will see the roll out of further action-oriented strategies to harness the opportunities for exports and to stimulate job opportunities for our citizens.

Chapter 1 Introduction

We are living through a period of extraordinary economic change – and Ireland is one of the countries that has gone through some of the most difficult adjustments.

The Government has taken the necessary steps in the course of the last year to hasten these essential adjustments and to ensure that Ireland will emerge in a strong position and be prepared for the next phase of economic growth. The banking system has been supported and stabilised. The public finances have been brought back under control. Furthermore, Ireland's current trade-weighted international price competitiveness has shown some improvement¹.

The path we have adopted to address the issue of budgetary sustainability, to stimulate our economy, and to invest in our long-term prosperity and quality of life has been backed by international organisations such as the EU Commission, the OECD and the International Monetary Fund.

These actions constitute an essential underpinning of the medium term strategy to strengthen Ireland's competitive position and ensure that the range of enterprise policies in place will turn global economic upturn into Irish economic growth and quality employment. Building on our existing strengths, we are identifying new markets and opportunities to export products and services and successfully target the next wave of economic growth.

Critically, for an export dependent economy like Ireland, the sentiment surrounding the global economic outlook has improved over the winter months. Evidence of this is provided through the update of the October World Economic Outlook², published in late January 2010, which revised global output for 2010 upwards by ¾%. Growth is forecast to be particularly vibrant in emerging and high growth economies, such as Brazil, Russia, India and China (the BRIC nations), where increasing middle classes are driving domestic demand. This provides an opportunity for Irish

exporters to continue to build on our trade and investment success in European and North American markets as they recover, to engage with new high growth markets and to diversify trading strategies.

Ireland's Short Term Economic Outlook

Reflecting the change in growth away from domestic demand towards external demand, the current account position of the Balance of Payments is expected to improve this year and move towards a modest surplus. The improvement in our goods trade surplus is the main factor behind this development.

This year, while positive annual growth is expected during the second half of the year, a decline of 1.3% for the year as a whole is still anticipated³.

Positive growth is projected for 2011 (on the assumption that the global recovery gains momentum, that further competitiveness improvements are achieved, and that housing will no longer be a drag on activity). Over the period 2011-2014, GDP growth is forecast to average around 4% per annum driven mainly by more sustainable export orientated growth.

Sustainable Economic Renewal

In December 2008, the Government published *Building Ireland's Smart Economy: A Framework for Sustainable Economic Renewal*. The principal objective of the Framework is to re-focus resources in a manner that will hasten economic renewal, productivity growth and jobs.

Central to the Framework is to restructure during the economic crisis so that when the global recovery begins, Ireland is able to build a **Smart Economy with a thriving enterprise sector, high-**

1 National Competitiveness Council Competitiveness Challenge 2009

2 Published by the IMF

3 Department of Finance forecast 2010

Chapter 1 Introduction

quality employment, secure energy supplies, an attractive business environment and first class infrastructure.

Productivity and Export Growth Strategy

Since the publication of the Smart Economy Framework, the Government has taken significant steps to re-establish Ireland's growth path. We are positioning Ireland to respond quickly to international stabilisation and recovery. Our current strategies will restore confidence in our economy and most importantly promote enterprise, investment and innovation, which we rely on for jobs and growth. We emphasise the central importance of stimulating productivity and export growth to create new opportunities and to accelerate economic recovery.

Exports contribute significantly to the economy both directly and indirectly. Ireland's key exporting sectors are responsible for a large proportion of total employment. Exporting sectors also create a need for vibrant services and other related sectors, such as banking and finance, transport, logistics etc.

For every 100 jobs created in foreign owned exporting firms in Ireland, it is estimated that at least a further 70 jobs are created elsewhere in the domestic economy. The indirect employment associated with indigenous firms is higher again. This helps generate tax revenue, enabling further investment in people and in our economy.

For our productivity and export oriented growth strategy to succeed, a major imperative is to ensure that the policy environment meets enterprise needs. To this end, we have implemented a broad based policy response that is proportionate and ambitious to meet the needs of all sizes of business – from micro-enterprises to large multinational companies.

The actions we have taken demonstrate the Government's resolve in providing an enterprise environment suitable for businesses to start up, grow, innovate and succeed in foreign markets. Improving framework conditions for entrepreneurship is a core aim. Entrepreneurs are the drivers of innovation and productivity

growth in the economy and are the exporters and job providers of the future. Strengthening and developing our indigenous companies, enabling them to expand overseas, is a vital element of our strategic plan for growth.

To boost Irish exports, our goal is to work with Irish enterprise to build businesses that will win increasing market share and respect for their ingenuity, technologies and innovative abilities. Allied to this, ensuring trade barriers are reduced gives our exporters better opportunities to win business in more diverse markets.

Equally, a continued and targeted strategy to attract foreign companies to set up operations in Ireland and to embed the operations of existing FDI companies remains particularly important for employment growth.

Ireland continues to provide an attractive and increasingly competitive environment for investment, with firms based here achieving among the highest rates of return on their investments.

Government – Business dialogue

The continuing dialogue with business and understanding sectoral needs is also essential for the success of Irish enterprise. For example, the Global Irish Economic Forum held at Farmleigh in September 2009 captured the ideas and advice of key business leaders in the diaspora.

Furthermore, the R&D Enterprise Feedback Group and the High Level Group on Business Regulation bring forward proposals and identify specific measures to support the enterprise sector and improve the regulatory environment on an on-going basis. The considerable knowledge and expertise of the various members of these Groups will continue to contribute substantially to future enterprise policy.

In 2009, both the High Level Action Group on Green Enterprise and the Innovation Task Force were established to support the development of the Smart Economy. These Groups have completed their work and are now at implementation phase. The Small Business Forum was re-convened in December 2009 to gain their assessment and views on the impact of the current economic situation on the needs of the small business sector as it positions for recovery. In addition to these formal Groups, Government Ministers visit companies and meet and consult business leaders

on a regular basis.

Continuous innovation and sustainability

Supporting innovation as a driver of productivity and export growth is critical to sustaining enterprises, maintaining current jobs and advancing further job creation.

The world faces many environmental challenges. Finding new ways to reduce our carbon footprint and adopt more sustainable ways of developing our economies are now imperative. But the challenges of climate change can open doors to new business opportunities for companies in Ireland. We have a firm focus on areas of potential where Ireland is well placed to compete and win new markets such as in 'green' goods and services.

Ireland already has a track record of building on our skills and talent by focusing on selected sectors such as food, ICT, pharmaceuticals, and biotechnology. We will continue to build on this success. The adoption and targeting of the environmental goods and services sector now affords opportunities to capitalise and build on our existing skills base to capture part of the global growth in this sector.

Strategy for jobs and growth

This Statement highlights some of the important actions currently being implemented along with some key elements of our medium term strategy for jobs and growth. It does not seek to outline all of the measures taken to drive the restructuring of the economy. We have prioritised resources to advance job creation, enhance the skills and talent of our workforce, improve Ireland's competitiveness, and promote world-class research and development. Examples of actions to support these priorities are shown herein.

We are focussed on opportunities for growth in sectoral areas such as food and beverages, ICT, tourism, lifesciences, financial and international services, high-end manufacturing and green goods and services. We will be driving forward strategies in all these sectors during 2010, targeting niche markets and supporting our companies in Ireland to create new business and jobs.

With this determined focus, and working across Government, Ireland can return to high levels of productivity, jobs and export led growth, creating a strong foundation for long-term macroeconomic stability.

The extent and the scope of the measures that we are taking sends a strong, clear message that Ireland is positioning itself for the future and will deliver jobs and growth to meet the needs of the economy and that of its citizens.

Targets for Jobs and Growth

The public capital investment programmes for 2010 are expected to support approximately 70,000 jobs in the economy. A Capital investment target of €40bn has been set to 2016.

This Exchequer capital investment programme will also be supplemented by projects to be part-funded by private investment in the PPP programme and the investment programmes of the commercial state-sponsored bodies. Non-exchequer capital investment for 2010 will be €3.4bn, supporting a further 30,000 jobs approximately, in the economy.

The enterprise development agencies' objectives are to create more than 100,000 new jobs over the next five years. This will lead to the creation of more than 70,000 ancillary jobs elsewhere in the economy.

The Report of the High Level Action Group on Green Enterprise, published in November 2009 identified the potential to create approximately 80,000 new jobs in Ireland over the coming years.

Chapter 2 People & Skills

Over the past year we have taken a number of steps to assist those who have lost their jobs and to support vulnerable but viable business in this difficult period. The Enterprise Stabilisation Fund and the Employment Subsidy Scheme have been central instruments in achieving these objectives. In addition, this year we will be providing a total of 147,000 training and work experience places. Our focus, through these measures, is to encourage progression and skills enhancement and to help people on their path back to employment. The principal objective is to activate the unemployed in a manner that keeps them close to the labour market and reduces the possibility that they will become long term unemployed. In addition, the maintenance of existing skills and the conversion to new skill sets is also of paramount importance with this group. A very significant part of our future skills pool lies with those currently out of work and our labour market policies and programmes are being designed to prioritise those most at risk of becoming distant from the labour market and those who need upskilling or re-skilling to increase their future employability.

Our Skills Strategy

Our global competitiveness and capacity to innovate ultimately rests on the skills of our workforce. We rely on the successes of innovators, entrepreneurs, ambitious managers and employees for our economic success and prosperity.

Central to our economic strategy is the continued strong investment in human capital - equipping the workforce with the education and training necessary for individual and national success, and preparing our young students for careers in the innovation economy. Enhanced skills also increase the mobility of people and equip them to take on alternative opportunities.

We are committed to achieving the objectives of the National Skills Strategy⁴ for increased participation of our labour force in education and training, through upskilling and reskilling, and fostering a culture of lifelong learning and continuous advancement in the workplace. Significant progress has already been made towards meeting the objectives set out in the National Skills Strategy for the period to 2020.

For example, the percentage of those in the labour force with Third Level qualifications has been increased from 33% in 2005 to 39% in 2009. We are therefore well on the way to reaching the 48% National Skills Strategy target.

We are also focussing on those with education levels below Third Level and, in particular on those who are unemployed, to ensure that they upskill for the occupations which will experience growth into the medium term.

The National Skills Strategy is targeting skills shortages identified in the specialized high-skill sectors of IT, science, sales/marketing, health, accountancy, engineering and management; while also providing alternative skills for many of those who opted out of third level education for jobs in the construction sector in particular.

We occupy a strong position already with a high level of educational attainment.

- Eurostat data show that on a per-capita basis, the number of people aged between 20-24 in Ireland who are educated to at least upper second level is amongst the highest in the EU15.
- The number of highly skilled graduates has continued to increase with the number of third level graduates in Ireland reaching over 56,300 in 2007 (up from approximately 55,100 in 2006); furthermore, students are opting to take more advanced courses with the increase in graduate numbers concentrated at levels 8 and 9 (honours degrees, postgraduate certificates/ diplomas and master degrees).

- The number of PhD awards in Irish higher education reached its highest level to date in 2007 and exceeded 1,000 for the first time.

World class leaders and management teams

Management skills development, in particular in SMEs, will be essential to driving the internationalisation and productivity of our enterprises, winning sales and growing employment. Growth in business, revenue and profitability is the ongoing challenge of our enterprise sector. World-class leaders and management teams are key to meeting that challenge.

- Enterprise Ireland intensified its management development offer during 2009 by providing more programmes aimed at addressing competitiveness issues and building sales capabilities. 238 companies took part in a series of short export focused workshops such as 'First Flight' and 'Excel at Export Selling' in 2009. Enterprise Ireland also run a Leadership 4 Growth management development programme and an International Selling Programme.
- The Government is working closely with a number of participants from the Global Irish Economic Forum with the objective of establishing a Farmleigh Overseas Graduate Programme in 2010. The initial focus of this programme is expected to be in Asia and will provide up to 500 graduate placements abroad once fully operational.
- In addition, the new Bord Bia Marketing Fellowship Programme places 25 graduates, with upwards of three years work experience, into 12 overseas markets working on commercial assignments for more than 100 exporters.

Maths, Engineering and Science

An extensive range of measures is already in place to promote creativity, enterprise and critical thinking in second level programmes. These will be further built on in the context of the proposals being developed by the National Council for Curriculum and Assessment for reform of the junior cycle. Project Maths is designed to promote better understanding and improved teaching and learning in Maths in second level schools. It is already under way in 24 project schools and will be implemented in all schools from September 2010. Reform in science at primary level and junior cycle has been implemented, and is also in development at senior cycle. These initiatives are also supported by the Discover Science and Engineering Programme.

In higher education, structured PhDs are being rolled out across universities, which provide structured training to develop specific competencies as set out in the Graduate Skills Statement, including entrepreneurship and innovative skills. The 2009/10 CAO data show that acceptances on engineering courses have increased by 21% and on computing and science courses by 25%.

Chapter 3 Business Environment: *Cross Government Action*

All parts of Government are already working together in a cohesive manner to support economic renewal. These actions will consolidate Ireland's position as one of the world's leading small economies. Business costs have fallen and productive levels are increasing: wage bills, unit labour costs, asset prices, energy and prices in general have responded to both Government actions and the effects of recession, exerting downward pressure on prices. Competition in key sectors of the economy has intensified. The tax system is pro-business and fine-tuned to ensure it is internationally competitive. Access to finance and rebuilding a functioning banking system has been given the highest priority by Government and the Central Bank.

We continue to invest in public capital at a high rate in comparison to our EU partners. The public capital programme is also an important driver of jobs in the Irish economy. We estimate that over 70,000 jobs will be supported in Ireland on foot of the public capital programme for 2010 alone.

Our objective is to enable enterprise to grow, leading to sustainable and diverse employment opportunities for our citizens. A well-functioning and supportive operating environment for business is a key consideration for all Government Departments, right across the policy spectrum.

Ireland's international reputation as a good place to do business, and to live, is centremost to our thinking. But the business environment is not static. As ways of doing business evolve and sectors develop, so too should the business environment adapt to meet the changing needs of businesses operating in and from Ireland. We are adapting to the needs of business in a number of ways; access to finance, taxation, public procurement policy, cutting red tape, incomes policy and competition policy. We outline some of the measures below.

Access To Finance

The Government is committed to ensuring that viable businesses have access to short and medium term financing to meet their requirements for day-to-day operations and longer term

growth. Decisive action has been taken – through the bank guarantee, recapitalisations and the establishment of the National Asset Management Agency – to stabilise the banking sector and put the banks in a position to provide essential banking services to the real economy. A new mechanism to consider appeals of decisions by banks to refuse credit has been established.

The Credit Supply Clearing Group, comprising representatives of the banks, business and the relevant Departments and State agencies, has been established to monitor bank lending to business and to identify credit supply solutions where patterns of credit refusal to viable businesses are detected. The Group is also addressing a range of related issues including ways of improving communications between banks and their clients and alleviating difficulties being experienced in relation to payment delays. The Government has published two independent Reviews on Credit Availability for Small and Medium Enterprises and detailed monitoring of the developing position in this regard will continue. A number of recommendations in the first Review on possible risk-sharing arrangements, relating to, for example, credit insurance and loan guarantees, have been, or are being, subjected to detailed analysis and assessment.

In addition, a Credit Review Agency has been established by the Department of Finance to review cases of loan refusals or reductions.

Encouraging Private Finance

Enterprise Ireland is actively involved in matching international venture capital funds with Irish companies. There were 14 international VC investments in Enterprise Ireland's client companies in 2009.

The new Halo Business Angel Investor Programme (a joint venture between Enterprise Ireland and InterTrade Ireland) was launched in September 2009 to attract private investors to Ireland and to match them with pre-screened opportunities in start-up businesses.

A new €26m Bank of Ireland Seed & Early Stage Equity Fund, along with an additional investment of €23m in the AIB Seed Fund, which now totals €53m, was launched in the last quarter of 2009. This represents a significant broadening of access to funding for start-up and early stage businesses.

It is estimated that 38 co-investments with Irish seed and venture capital funds, valued at €29.8m, were completed to end of 2009.

Diaspora Bond: the Minister for Finance announced in Budget 2010 that the NTMA and his Department will develop a National Solidarity Bond, which will be available for investment in 2010. Initially, the bond is expected to be available to Irish residents. The NTMA, the Department of Finance and relevant Departments are examining the feasibility of extending it to non-residents and how to successfully market it abroad, including through Irish Diplomatic Missions.

Tax

Ireland has committed to maintaining its 12.5% corporation tax rate as a key element of our international competitiveness and attractiveness as a location for doing business.

Furthermore, in recent years there have been considerable improvements in the attractiveness of Ireland's international tax offering, especially in the area of Intellectual Property and Research and Development. These improvements have attracted skills intensive international investment and jobs to Ireland and have also facilitated the expansion and development of our indigenous companies into world-class enterprises. Our tax system is a critical building block for nurturing jobs and growth.

Budget 2010 and the Finance Act 2010 include a range of new measures to boost growth including for start-ups, for R&D and to further develop Ireland's international financial services sector.

The Finance Act 2010:

- The Research and Development tax credit was increased from 20% to 25% and other enhancements to the scheme including the introduction of a payable credit are viewed by industry and the State agencies as essential to the ongoing development of R&D activity in Ireland.
- The reduction from 25% to 12.5% tax for certain foreign trading dividends will further support the attraction, development and retention of Foreign Direct Investment.
- Improvements to the Income Tax Incentive for foreign employees to undertake an assignment in Ireland makes Ireland a more attractive location for the internationally mobile, highly skilled and experienced individuals that we need to work alongside our own workforce to drive our Smart Economy.
- The start-up company tax exemption will be extended into 2010 encouraging both entrepreneurship and economic activity.
- The reduced filing and payment obligations in respect of Principal Contractors in the Construction, Forestry and Meat Processing sectors will further reduce the administrative burden on business.

Public Procurement

The development of innovative SMEs is an essential element for economic growth. Public procurement contracts are an important source of business for SMEs. The key to the export success of a new innovation and technology-based business is the ability to sell and secure the all important first international sale. Establishing a successful track record on their home market is advantageous to companies when prospecting for opportunities in other markets.

Chapter 3 Business Environment: *Cross Government Action*

In July 2009, the Government approved new procurement policy guidelines "*Buying Innovation - The 10 Step Guide to Smart Procurement and SME Access to Public Contracts*".⁵ This is an important initiative designed to stimulate innovative business activity in Ireland and facilitate greater access for all SMEs in both exporting and non-exporting sectors. It will also improve the delivery and efficiencies of public sector goods and services.

We are also focused on raising awareness among the SME community of the strategic value of accessing public procurement opportunities and how it can be used, in a positive way to gain market position for their products and services, both in Ireland and internationally.

A new public procurement team was established in 2009 in Enterprise Ireland to support clients selling to public bodies in Ireland and overseas. Irish client companies signed 80 overseas public procurement contracts worth over €207m with Enterprise Ireland assistance in 2009.

The Government has established a centralised procurement unit to drive best practice in public procurement and to put in place more cost-effective and strategic contracts across the Public Sector. The National Public Procurement Operations Unit in the OPW was established in April 2009. The Unit is also tasked with training, establishing centres of excellence for particular market categories and organising networks of procurement professionals to share experiences and best practice.

Restoring Cost Competitiveness For A Better Jobs Environment

The continued restoration of cost competitiveness will form part of the foundation for a sustainable export led economic recovery. A number of areas are being prioritised, including labour costs, government controlled prices and costs, minimising the regulatory burden and increasing the level of competition in our economy.

We have been actively progressing recommendations to increase competition and remove anti-competitive restrictions in the sheltered sectors of the economy. These include competition in transport, electricity, professional services,

pharmacy services and the private rental sector.

We have made substantial progress in reducing energy costs and in underpinning our energy security for the future. Competition is improving in the Irish electricity market.

Many Local Authorities have reduced or capped their charges for commercial rates for 2010. "Upward only" rent reviews have been banned. The Government have also imposed an 8% reduction on professional fees paid by the public sector.

Incomes and Prices

Over the past year or so, Irish price levels have started to adjust downwards while those in the euro area continue to increase (albeit at a modest pace). Our asset prices, wage levels and price levels are all adjusting rapidly to the new circumstances, thereby improving our competitiveness.

Many prices fell in 2009, particularly property prices, commercial rents and energy. This is also reflected in consumer prices, which are also adjusting downwards. The Consumer Price Index fell by 3.9 per cent in the twelve months to January 2010. The HICP - the harmonised European measure - fell by 2.6 per cent to December 2009, the largest decline in the euro area.

The public sector wage cuts in 2009 are unprecedented in the euro area. Furthermore, Ireland is the only country in the euro area in which unit labour costs are estimated to have fallen in 2009. These data also project a further improvement in unit labour costs in Ireland in 2010. In other words we are improving competitiveness – last year unit labour costs relative to the euro area as a whole improved by about 5¼%, according to the EU Commission.⁶

Reducing Red Tape

The Government is very conscious that the administrative burden of regulations falls more heavily on smaller businesses. This is recognized internationally, and makes the current reduction programme all the more beneficial for small firms. The Government has dedicated time and effort on regulatory reform to identify areas where the law

⁵ <http://www.entemp.ie/publications/trade/2009/buyingininnovation.pdf>

⁶ Autumn 2009 Economic Forecasts - EU Commission

is outdated or disproportionate. All Departments with regulation affecting business are listing and prioritizing their legislation, identifying where the most important burdens for business arise. A measurement project encompassing these priorities is underway.

The High Level Group on Business Regulation has already identified more than €20 million worth of administrative cost savings for business in its first report, through cutting out paperwork, revising the rules for small businesses and making better use of online services.

The Group's 2010 work programme initially contained more than fifty recommendations from business, and some twenty-five of these recommendations have already been progressed by the Group.

Chapter 4 Knowledge and Innovation

Excellence in research

This Government's commitment to continued investment in R&D and innovation has been clearly articulated and we have put in place the agencies and programmes required to ensure that Ireland achieves and sustains excellence in research, allied to the needs of industry. Total investment in R&D has trebled in the ten years to 2008 and investment in Higher Education R&D has quadrupled during the same period.

Our strong investment in R&D through our enterprise support agencies, Science Foundation Ireland and our Third and Fourth-level institutions, positions Ireland well to build and sustain a strong and vibrant innovation island. Growing and attracting world-leading talent, creating knowledge that is recognised internationally for its impact, creating intellectual property, licensing opportunities and new spin-out companies are part of our new competitive advantage.

In 2008, Ireland invested €2.6 billion in R&D, with a very healthy balance of two thirds being performed in the private sector. We have placed a particular focus on research that underpins key economic growth sectors such as ICT, biotechnology; and energy and we are moving to reap the benefits of significant convergence opportunities.

A renewed focus is now being placed on stronger commercial outputs and the efficiency of investment. Working with Irish Technology Transfer Offices in Higher Education Institutes, Enterprise Ireland is developing a world-class system for transferring valuable intellectual property from research into industry. Since the Technology Transfer Strengthening Initiative was established in 2007, 55 new spin-out companies have emerged from State-funded research. Over 1,300 inventions have been disclosed, more than 470 new patents filed and close to 220 deals have been signed between companies and researchers to licence new technologies invented in Higher Education Institutes.

These spin-out companies are also offered incubation space in one of the 21 campus incubation centres funded by Enterprise Ireland,

which between them house 240 companies employing over 1,000 people.

The Enterprise Ireland /SFI CSET Commercialisation Fund was introduced in 2009 to accelerate the realisation of national economic benefits from the CSET programme through active commercialisation of research outputs.

We continue to provide supports and incentives to business to conduct R&D and to invest in innovation to achieve competitive edge. We have also developed a range of incentives and supports to ensure we have the capacity to capture and transform the ideas and advances coming from higher education research into commercial reality.

A scheme for the admission of third country researchers to Ireland has been in operation since late 2007. To date close to 800 persons have availed of this facility.

Increasing the levels of innovation in SMEs is a key element of Government strategy. Enterprise Ireland continues to award Innovation Vouchers and funding for Innovation Partnership projects to facilitate small-scale, but vital, innovation in Irish companies. Enterprise Ireland also manages Ireland's participation in the Enterprise Europe Network in partnership with the Cork, Dublin, Galway, Sligo and Waterford Chambers. This portal acts as a one-stop-shop for Irish SMEs that want access to technologies and research partners from across Europe.

Irish companies continue to access European R&D funding through the EU Seventh Framework Programme (FP7) and the European Space Agency. Enterprise Ireland is the lead agency

driving Irish participation in these programmes. To date €38.7m has been won by Irish companies, 76% of which went to SMEs.

Innovation Task Force

The core message from the Innovation Taskforce Report, also published in March 2010, is that Ireland has an opportunity to lay the foundations for future economic growth and significant job creation by increasing innovation across all sectors of Irish enterprise.

It focuses on “Building the Innovation or ‘Ideas’ component of the economy through the utilisation of human capital – the knowledge, skills and creativity of people – and the ability and effectiveness of that human capital to translate ideas into valuable processes, products and services.” It develops the concept of an innovation eco-system with the entrepreneur and innovative enterprise at the centre. The Report makes a wide range of recommendations in areas such as intellectual property, venture capital, the higher education system, procurement, convergence, sectoral issues, taxation, enterprise agency supports and structures, broadband infrastructure, marketing and implementation.

Networks and Clusters, Global and Local

- The Best Practice Crystallization portal (BPX.ie), a world first in collaboration within the pharmaceutical community, was launched in November 2009 by the SFI funded Solid State Pharmaceutical Cluster (SSPC). The SSPC, which is led by the University of Limerick (UL), is a collaborative research group of Ireland’s leading pharmaceutical companies and third level institutions, with Government funding being provided through Science Foundation Ireland.
- Seven industry groups have formed research initiatives under the Competence Centres programme. Focused on research with a direct impact on industry, these centres are a joint initiative of Enterprise Ireland and IDA Ireland and represent a key element of Government plans to build a smarter, greener economy.
- 1,000 Irish companies in construction, software and manufacturing will benefit from Enterprise Ireland’s Enterprise Innovation Networks. The agency is investing €1.8 million to stimulate innovation networking in Irish companies in the software, construction and industrial areas.
- As part of our work to support business and technology networks across the globe, the Irish Government has supported the Irish Technology Leadership Group in Silicon Valley, California.

Chapter 4 Knowledge and Innovation

Science Foundation Ireland

- Five years ago, less than one-tenth of multinational investments into Ireland were in RD&I. In 2009, this was nearly 50%. More importantly, those RD&I jobs anchor the presence of the multinationals in Ireland. The IDAs increased capacity to win such high-value RD&I projects now is largely on the back of the Government's foresight in establishing Science Foundation Ireland (SFI) in 2000 and the significant investments made via SFI subsequently.
- The Government remains committed to using investment incentives and other measures to achieve an R&D target of 3% of GDP and securing Ireland's future in a knowledge intensive global economy.
- SFI is potently connecting its funded research teams with industry across all of its programmes, SFI funded researchers are currently working with over 300 companies (Small & Medium Enterprises and leading multinationals) who collectively employ 56,000 people in Ireland.
- The SFI Centres for Science, Engineering & Technology (CSETs) and Strategic Research Clusters (SRCs) link researchers in partnerships across academia and industry to address crucial research questions. The centres foster the development of new and existing Irish-based technology companies and also attract industry that could make an important contribution to Ireland and our economy. There are currently 29 SFI funded top-class research centres [10 CSETs & 19 SRCs] in operation.
- During 2009 the Government announced a range of investment packages amounting to €38.33m over the next five years to establish 7 new SFI funded SRCs and 1 new CSET. These new SFI centres initially provide for 302 new researcher jobs and are already formally engaged with 40 companies, who each contribute significantly to the individual research projects. The strategic areas for Irish industry being pursued through these new centres are relevant to Information Communications Technology, Cancer/other health related, Mathematics and Energy related fields amongst others.

Chapter 5 Enterprise and Sectoral Support

Matching opportunities with our strengths

We have focussed our efforts on devising, implementing and progressing forward-looking enterprise policies. We are targeting resources to position Ireland as a competitive, innovation-driven location in which to do business, to grow business, to increase employment and create prosperity. We are identifying strategic markets to target for future inward and outward investment and export growth, along with niche sectoral opportunities where we can achieve a competitive edge.

The manufacturing sector has been a mainstay of Ireland's economy for many years and we have built a world-class reputation across a range of technologies. There were 187,500 people employed in manufacturing in 2009⁷ and we will continue to grow and support high value manufacturing.

However, the most significant development in the enterprise base in recent years has been the growth in services. The services sector employed over 1.4 million people in 2009 in a broad range of sub-sectors, both locally traded services, such as retailing, hospitality, distribution, and internationally traded services, such as software, business services and financial services. With services being recognised as a major source of economic, employment and export growth, this sector is expected to increasingly dominate the Irish economy in the years ahead.

We will continue to target industry sectors that are fundamental to our prosperity and thus likely to be the sources of future employment, product development and wealth such as health related sectors, ICT, financial services, food, travel, entertainment and digital media. These sectors promise significant growth and are of critical strategic importance to Ireland's return to economic prosperity.

In addition to these sectors of high potential growth, our wider Government policies are supporting high employment areas such as retail, construction, healthcare and education.

Services – significant opportunities

While global services exports fell by almost 20 per cent over the last two years, Irish services exports declined by just over 2 per cent.

Today Ireland has clearly established itself as one of the world's leading service economies. Services are recognised as a major source of economic growth and will increasingly dominate the Irish and our export market economies in the years ahead. Ireland is an important location within the EU for a number of distinct service sectors, namely computer software, IT services, insurance, international financial services and regional services headquarters. There are also significant opportunities outside these sectors, such as healthcare, entertainment and media, creative services and various business services. In Ireland, two out of every three workers are employed in services.

Locally traded services underpin a wide range of economic and social activities, restaurants, shops, travel etc. This sector plays a major role in the economy and is a powerful source of wealth creation and employment.

Our enterprise agencies are working together to promote services innovation aimed at increasing productivity and competitive advantage. Joint work is currently underway in fostering Competence Centres in the services sector and in progressing the development of capabilities and competencies critical to services.

We aim to grow Irish presence in a number of niche services sectors, positioning services as a

⁷ Q2 2009 CSO Earnings and Labour Costs release

Chapter 5 Enterprise and Sectoral Support

major export growth platform. The scope for growth lies in knowledge intensive services where skills and training will play a key role.

Financial services provide additional opportunities as an area of further growth given Ireland's strong value proposition with respect to this niche market.

“The big success story in the economy over the last decade has been the growth in services exports from €20bn in 2000 to around €70bn last year.”

The education sector provides significant opportunities for Ireland to increase services exports and value added in *international education* and to develop new initiatives in the training and *executive development* areas. Growth in this sector is mainly fuelled by demand for high quality western education delivered in English and the Services Order 2010 incorporates this sector.

Manufacturing –Focus On Transformation

The model of manufacturing in developed countries is changing and Irish-based enterprises are adapting to those changes and engaging in higher value added activities in order to compete in the global marketplace. This has been achieved as a result of increased productivity, technology levels and sophisticated skills of Irish employees.

Many companies in Ireland have built world-class high-value added manufacturing and services capabilities, particularly in food, information and

communications technology, software development for manufacturing technology, pharmaceuticals and medical technologies. We envisage that Ireland's manufacturing base will continue to move up the value chain.

Manufacturing companies today encompass a broad range of activities from research and development through design, production, logistics and distribution to marketing and after sales service. With regard to international manufacturing investment we continue to place a strong focus on transformation within companies and we work with them on *up-skilling programmes, investments in technology uplift and new process developments* in order to deepen their commitment to Ireland.

The indigenous base of manufacturing firms is essentially made up of small firms employing less than 50 people, with the exception of a small number of large indigenous multinationals. Manufacturing employment is now concentrated in three core sectors, namely *Lifesciences* (which encompasses pharmaceuticals, medical devices and biotechnology), *Food* and *ICT*.

The “lean agenda” is one of the key issues facing companies across all sectors. We are helping companies address these competitive challenges to drive increased profitability and sustain their business. In 2010, Enterprise Ireland will radically change the way it works with companies on their competitiveness/lean agendas and will continue to promote in-company R&D as a key aspect of achieving competitive edge.

Entrepreneurship – New Horizons

Ireland is one of the most entrepreneurial countries in the world and never has this spirit been more important. We continue to work with our entrepreneurs to understand their changing requirements and ensure that the business environment that Ireland provides is one in which they can thrive.

Supporting entrepreneurship demands the right framework conditions and we are driving change across a range of policy areas, from the costs of doing business, regulation to R&D and innovation, skills and tax incentives. These all combine to foster an environment that supports entrepreneurs and entrepreneurship.

Tourism – A Key Employer

The World Economic Forum has ranked Ireland's effectiveness in tourism marketing and branding 8th out of 133 countries in 2009. The increased allocation of public resources for the tourism sector is clear recognition by Government of the important role that the tourism and hospitality sector will play in Ireland's economic recovery.

A Fáilte Ireland survey of the tourism industry estimates employment in businesses involved in tourism and hospitality to be in the region of 200,000. The sector generated export revenue of over €4.2 billion in 2008, representing about 6% of total services exports and 2.8% of all exports⁸. Although the value of tourism exports has declined in relative importance in an overall context, actual revenue has increased year on year in the decade to 2008.

The tourism sector has been one of the most consistently successful indigenous sectors across the enterprise base⁹. It currently faces a number of external and internal difficulties in the context of the global recession but it has proven resilient over many decades and offers potential for further development. In the context of a return to economic growth in Ireland, the tourism sector will continue to have an important role as a key employer. Tourism also has an important role to play in the creation of a positive image for Ireland internationally, which, although not quantifiable, can be a catalyst for FDI.

To drive growth in the tourism sector, an extensive range of marketing, product development, festival and sporting events, training and business supports are being rolled out by the Tourism State Agencies under the Tourism Services budget.

Food And Agribusiness – Market Focused Supply Chain

Agriculture still has a key role to play as a primary producer for the food sector, particularly in terms of meat and dairy products. The sector has experienced a significant shift since the changes in subsidies through EU were introduced, which necessitated a shift from grant-led production to a market-led approach coupled with increased competition.

A competitive, innovative and market-focused food supply chain in Ireland is integral to export-led growth and sustainable jobs. The agri-food sector accounts for a third of net export earnings from the primary and manufacturing sector and for one out of every twelve jobs. Two-thirds of manufacturing exports by Irish-owned firms consist of food and drink and the industry has a broader regional spread than any other. It has world trading positions in infant foods, ingredients, dairy products and drinks and continues to build an EU market presence for meat. It also has achieved a significant presence for prepared consumer foods on the UK market. The horticulture, speciality, organic and artisan sectors have strengths in quality and potential to grow from relatively small bases and there is real capacity to win new niche markets for seafood.

The Minister for Agriculture, Fisheries and Food has launched a 2020 initiative to identify the correct strategies to ensure that the food supply chain contributes to export led growth in the 'Smart Economy'. An integrated approach to development can deliver sustainable food and drink exports of €10 billion. Continued innovation and application of best international practice at all levels from land management and livestock breeding to manufacturing and distribution will be essential. Scale is needed in particular sectors.

International Investment

Ireland has proved itself over many decades to be one of the most productive, profitable and business friendly locations for investments by multinational corporations in a wide range of high technology sectors. International investment will continue to be a key driver of employment, exports and growth. Ireland's value proposition is based on Track Record, Talent, Tax and Technology and crucially, how we blend these propositions together.

In 2009 FDI decreased globally by 30% but Ireland led the field in capturing new investments. The number of foreign investments in Ireland decreased by only 4% on the level achieved in 2008. Ireland's corporate tax rate of 12.5%, our multilingual skilled workforce and our strategic location to serve markets in Europe has served us well in attracting investors and will continue to do so. It is no secret that Ireland epitomises the globalised economy and we have implemented remarkably successful FDI policies.

8 CSO (2009) Balance of International Payments

9 Report of the Tourism Renewal Group, September 2009

Chapter 5 Enterprise and Sectoral Support

Ireland continues to score well in some key relevant international indicators.

We are committed to ensuring that our enterprise and related policies (e.g. science, trade, innovation and education) continue to support a positive environment for business and are aligned to areas of greatest opportunity. We are therefore reviewing our enterprise policy to ensure that our competitive sustainable enterprise base, focussed on exports, delivers on both jobs and growth throughout the wider economy over the medium term.

Some International Indicators:

The World Economic Forum “Global Competitiveness Report 2009-2010” ranks Ireland 1st for FDI and knowledge transfer.

The World Bank “Ease of Doing Business Report 2010” ranks Ireland 7th for Ease of Doing Business and 1st in the EU for starting a business.

The IMD World Competitiveness Year Book 2009 ranks Ireland 1st for investment incentives and for skilled labour.

The European Innovation Scoreboard (developed under the Lisbon Strategy) ranked Ireland 9th in the 2009 Scoreboard, an improvement of six places over 2006.

Chapter 6 Delivering for Enterprise & Growth

Team Ireland

Delivering supports for enterprise and growth requires teamwork, co-operation and collaboration between all key stakeholders including universities, institutes of technology, research institutes, Government Departments, local authorities, enterprise development agencies and our embassies abroad. A firm focus and a positive attitude in our ability by all stakeholders in Team Ireland are key ingredients to bringing together the shared national vision for enterprise, articulated in the Smart Economy Framework.

A wide range of supports to business is provided mainly through our enterprise agencies. They offer a range of financial and non-financial supports tailored to the needs of their individual client companies throughout all regions and across all critical business functions namely: Strategy, Finance, Research & Development (R&D), Marketing, Human Resources and Production. Across all industry sectors, the priority objectives for 2010 are to consolidate growth in existing sectors and capitalise on emerging growth opportunities. The agencies undertake a wide range of support activities for example;

- supports to drive improvements in innovation, competitiveness and productivity,
- supports and training to strengthen management capability,
- providing companies with essential market advice, information and introductions, and supporting them as they enter and develop in overseas markets,
- embedding ICT management skills in SMEs,
- access to finance,

- mentoring - building the skills and capability in early stage companies,
- tailored Management Development programmes to meet the need of individual sectors,
- comprehensive R&D funding to support market-led innovation.

The agencies also invest in property solutions and/or innovation centres specific to the needs of their existing and/or potential client base.

The following chapter lists some key elements of the 2010 strategies for Enterprise Ireland, IDA Ireland, the County and City Enterprise Boards, the Tourism agencies and Bord Bia. While the list of agencies set out is not exhaustive, the efforts of these listed is complemented by the work of other bodies such as Shannon Development and Údaras na Gaeltachta among others.

Chapter 6 Delivering for Enterprise & Growth

Enterprise Ireland Strategy 2010

- Enterprise Ireland supported companies currently employ 133,523 people.
- EI supported 73 high potential start-ups in 2009. These firms represent a new breed of globally competitive Irish industry based on knowledge and innovation. They are a pointer towards the future of Irish industry. Enterprise Ireland will implement a number of initiatives to foster entrepreneurship and drive new start-ups including continued support for High Potential Start-ups, entrepreneurship training and dedicated mentoring, and strong linkages with the City and County Enterprise Boards.
- *Enterprise Ireland's objective is to create a further 40,000 new jobs over the next five years.* Through the multiplier effect, this will lead to an additional 28,000 jobs elsewhere in the economy.
- To be successful, Irish companies must increasingly compete through innovation, adopting best practice, having a relentless focus on driving productivity gains and increased automation.
- Enterprise Ireland are supporting an expanding portfolio of indigenous companies covering the Waste, Water, Energy and Services sub-sectors.
- Enterprise Ireland will continue to promote in-company R&D as a key aspect of driving innovation in the Irish economy in 2010.

In 2010 Enterprise Ireland will focus on sustaining companies that will as the year progresses lead to these companies preparing for growth. Enterprise Ireland will place a strong focus on 4 key areas to achieve this:

1. Maintaining & winning new sales;
2. Driving lean manufacturing and competitiveness;
3. Promoting innovation, commercialisation, & R&D; and
4. Developing new start up companies and fostering entrepreneurship.

Enterprise Ireland will focus on four key initiatives to drive these objectives. These are as follows:

- Supporting new start up companies;
- Lean initiatives;
- Funding business executives to investigate new markets; and
- An expanded focus on mentoring as a key avenue for building business capability.

Informal networks, advisory panels, mentoring and public procurement advice among other support, will drive the process of export growth.

Recognising the critical importance of access to finance, Enterprise Ireland will continue to focus on supporting companies directly with funding assistance to leverage equity finance for clients.

IDA Strategy – Horizon 2020

IDA supported companies currently employ 124,759 people in Ireland. During 2009, there were a total of 125 foreign direct investments won. Almost 70% of these investments were from existing IDA clients who are making further investments in this country and reinforcing Ireland's reputation as a key strategic global business hub.

In recent years we have benefited both from a focus on a number of high growth sectors such as ICT and bio/pharma and on internationally traded services. As well as being the European hub for major ICT companies such as Microsoft, Google, Intel and Facebook, nine of the top ten global pharmaceutical firms have a major regional presence in Ireland. We will continue to market the Ireland brand as a location of choice for the newcomer and for existing investors.

IDA'S objective is to create a further 62,000 new jobs over the next five years. Through the multiplier effect, this will lead to an additional 43,400 jobs elsewhere in the economy. To remain competitive and continue to attract FDI, IDA are actively seeking out new and emerging markets. They work with emerging global MNCs to explore their future needs and the potential role for Ireland as a partner in their innovation processes and in serving global markets. There is also a clear need to continue to deepen our links with the US and our main European trading and investment partners, while also developing long lasting relationships and business contacts with China, India and the Middle East to take advantage of opportunities for efficient sourcing and their importance as emerging hubs of innovation and future sources of FDI.

New business areas being targeted by IDA include healthcare services, next generation financial services, cleantech, high end services and digital media and entertainment. We are also working to develop the opportunities for Ireland to become a key European hub for the international funds industry.

There are **three new** sectors that the Agency is now targeting:

1. **Convergence**, particularly convergence and technology between the life sciences and the IT sector,
2. **Cleantech**, environment, environmental services and goods, the green agenda and so on, and
3. **Innovation and services**. The Agency is strengthening its technical expertise in the area of International Financial Services and has a clear and strong focus on this sector.

Chapter 6 Delivering for Enterprise & Growth

County and City Enterprise Boards

The County Enterprise Boards (CEBs) have primary responsibility for the delivery of State support to the indigenous micro-enterprise sector i.e. businesses which employ 10 or less workers. The CEBs, through both financial and non-financial assistance, support the sector in the start-up and expansion phases and stimulate entrepreneurial activity at local level. The CEBs give priority to enterprises in the manufacturing or internationally traded services sectors. CEBs play a key role in creating a thriving enterprise sector in Ireland and promoting entrepreneurship including at student level.

The priorities for the CEBs in 2010 are to assist owner/managers in enhancing the survival and sustainability of their businesses in these difficult economic times and also to assist people wishing to start their own business including those made redundant.

The CEBs have recently revised the suite of financial supports that are available to the micro-enterprise sector. The three new grant types are;

- Priming Grants
- Business Expansion Grants
- Feasibility/Innovation Grants

These new grant types will broaden the scope of the start up and development costs that can be assisted. As a result of these changes, supports will now be available for a wide range of legitimate business costs directly attributable to starting a new business or to growing and developing a business rather than being restricted to asset acquisition.

Tourism Agencies Strategies 2010

- €26 million is being invested in a marketing drive in the first half of the year including the biggest ever promotional programme of activities to showcase Ireland during the St. Patrick's Day period. Tourism Ireland will be focusing on those major markets that are likely to deliver immediate returns this year including Great Britain, Germany and the USA, as research has shown these markets as our best prospects.
- Tourism Ireland's new three-year global advertising campaign 'Go Where Ireland Takes You' was rolled out across all markets during 2009 following an extensive review of the island of Ireland brand.
- The campaign includes TV, print, digital and online advertising and will have an estimated annual audience of 200 million potential visitors worldwide. The new material will feature in Tourism Ireland's 2010 Overseas Marketing Plans, which were launched on 3rd December.
- Funding of €21m is being provided through Fáilte Ireland in 2010 to support investment in key existing visitor attractions, visitor activities and tourism infrastructure projects.
- Investment in business, sporting and cultural events will also be increased as these offer good prospects for tourism growth in 2010.
- Fáilte Ireland has committed to its largest ever home holiday marketing programme, as a central plank in its strategy to increase the home market share of the overall Irish leisure break market. Regarding business tourism, the opening of the National Convention Centre in Dublin in September will further enhance our capacity to attract international events.
- Fáilte Ireland is working closely with hundreds of tourism businesses across the country, helping them to cut costs, manage their businesses and improve their marketing efforts.

Bord Bia Strategy 2010

Bord Bia's strategy is to expand exports of food, seafood, drinks and horticulture to €10 billion and to develop home sales and sustainable jobs, by addressing six priorities.

Promoting Ireland – The Sustainable Food Island: Sustainability provides a new strategic platform to promote Ireland as a food island and Bord Bia is working initially with the beef industry to engrain evidence-based sustainability in the Beef Quality Assurance Scheme.

Broadening Export Reach: Bord Bia research has prioritised key target markets for prepared foods, identified new opportunities for cheese and dairy ingredients, Eurozone and Asian opportunities. The Bord Bia Fellowship Programme increases Ireland's capacity to develop sales opportunities in 11 export markets. Marketplace Ireland 2010 brought over 300 food and drink buyers from 27 Countries to Ireland to meet over 150 Irish exporters and it is anticipated will result in some €10 million in sales.

Enhancing the position of Irish food and horticulture on the Irish market: Bord Bia will assist suppliers through initiatives in consumer insight, innovation, and branding. Promotion of the Bord Bia Quality Mark, which enjoys 80% awareness, will be intensified in order to expand demand for quality assured meat, eggs and horticultural produce.

Consumer Focused Innovation: Innovation in products, packaging, processing and branding will be critical to the growth of the sector. Bord Bia's Foresight4Food initiative will offer services in stimulation, ideation and validation to convert innovative ideas into more successful product launches. Bord Bia's Consumer Lifestyle Trends Programme will provide insights to help manufacturers identify potential gaps in the market.

Pursuing a repositioning and differentiation strategy for Irish meat: The repositioning and differentiation strategy for Irish beef remains a priority as the sector enhances its role in the European market with listings among over 70 European retailers and achieves new retail premium and foodservice product listings. International market access, quality assurance, market promotion and more diversification will continue to be the principal focus.

Supporting a dynamic and growth-oriented Small Business sector: A dynamic small business sector represents an integral part of an entrepreneurial and innovative food, seafood, drink and horticulture industry. Bord Bia's Vantage suite of services will continue to assist small food companies to grow local business and identify niche export opportunities, while also continuing support for the development of the organic sector, farmers markets and food based growth opportunities and food tourism partnerships.

Chapter 7 Infrastructure and Energy

The availability of a competitively priced world-class infrastructure and related services is essential to support the competitiveness of Irish exporters and for a modern sustainable living environment for our citizens. We have continued our investment in infrastructure to improve the overall productive capacity of the economy.

The 2010 Budget includes a commitment of exchequer capital investment of over €39 billion for the period 2010-2016. Indeed, the 2010 allocation of €6.4 billion is proportionally very high in comparison to levels of capital investment across the EU.

The potential for labour intensive capital investment was taken into account in decisions on the 2010 estimates, including funding for labour intensive areas like schools, energy efficiency and tourism facilities. The public capital investment programmes for 2010 are expected to support approximately 70,000 jobs in the economy. This Exchequer capital programme will also be supplemented by projects to be part-funded by private investment in the PPP programme and the investment programmes of the commercial state-sponsored bodies. Non-exchequer capital investment for 2010 will be €3.4bn, supporting a further 30,000 jobs approximately, in the economy.

Infrastructural spending is being maintained at high levels relative to national income and is being targeted at projects likely to have greatest impact in terms of attracting foreign direct investment and supporting Irish firms to compete in global markets. These significant investments are delivering tangible benefits, eliminating bottlenecks and reducing costs. For example, the inter-urban motorway network will be completed this year, substantially reducing transport times between the major cities.

Transport

The Irish Government is committed to sustained investment in the national transport system and this is already showing concrete results:

- A high quality motorway network, totalling almost 750 kilometres and linking Dublin to Belfast, Cork, Galway, Limerick and Waterford, will be complete by end 2010, as will a 50% increase in the capacity of the M50 (Dublin's ring road).
- A major investment has been made in renewing the intercity rail infrastructure and rolling stock. Irish Rail now has one of the youngest fleets in Europe and this has enabled it to provide additional, better and more reliable services.
- There is continuing extensive investment in urban public transport, increasing the capacity of commuter rail in Dublin, extending the capital's Luas light rail network and re-opening the Midleton to Cork suburban rail line.

- Terminal 2 at Dublin Airport will open in late 2010.

The Government intends to maintain a high level of transport investment in the medium term, accounting for about one third of the public capital programme. Major projects include:

- the continuing development of the Atlantic Road Corridor, linking the regional development gateways on the western seaboard, and the improvement of other key national roads;
- the construction of Metro North, a 17 kilometre line serving Dublin Airport and developing areas in north Dublin;
- the implementation of the DART Underground programme which will treble the capacity of Dublin's suburban rail network.

The Government is particularly committed to the development of a sustainable transport system and will continue to invest in public transport, cycling and walking. Measures being supported include improved bus priority, real time passenger information, sustainable travel demonstration projects and a smarter travel areas programme.

Broadband

The availability of high quality broadband is strategically important to improve productivity, facilitating innovation, maintaining our attractiveness for FDI, and enabling services firms compete on global markets. A competitive market, coupled with supportive Government investment, is delivering broadband speeds for Irish consumers from a range of broadband providers. We are aware of the importance of ensuring that our ICT infrastructure is among the best in the world so as to support, encourage and underpin next generation technologies and the fast-moving area of internet applications.

In recent years Ireland has moved up the international league table of broadband providers as speeds have increased, connectivity has improved and the prices for data traffic have come down. The task now is to introduce the next generation of broadband access systems so we can benefit from the enhanced opportunities provided by ICT, which has the capacity to change the way we live and work.

In a recent report on the delivery of Next Generation Access networks the Government set out its view on the need for a collaborative, as well as competitive, approach to the development of broadband networks. Such 'open access' collaboration is exemplified by a number of recent initiatives undertaken by the Government, often on an open-access basis. These include the development of fibre based metropolitan networks in major cities and towns, the National Broadband Scheme to cover currently unserved areas, opening up fibre ducting carried alongside a range of state owned infrastructure, supporting new transatlantic fibre connections and promoting innovative new spectrum allocation policies. The National Broadband Scheme is to be fully rolled out by September 2010. The Government and regulatory bodies will continue to work with market players to ensure Ireland gains a leadership position in access to next generation networks.

A comprehensive Knowledge Society Strategy will be published in 2010. The Knowledge Society Strategy will cover a number of issues such as broadband access, eGovernment, the role of ICT in all stages of education, eLearning, eHealth and Technology Innovation. Implementation of the actions from Technology Actions to Support the Smart Economy, published in 2009, will continue.

Project Kelvin is a €32m collaboration between the Government and the Department of Enterprise, Trade and Investment in Northern Ireland, involving the roll out of further direct international telecoms connectivity by connecting a new submarine cable from Co. Derry to an existing transatlantic cable 22 miles off the north coast of Ireland. This project will provide faster, cheaper broadband and direct international telecoms connectivity for Ireland.

Energy

The pillars underpinning Ireland's energy policy aim to provide a secure, reliable and competitive energy supply. Our continued investments in grid infrastructure, interconnection and renewable energy projects are key to achieving this. Many initiatives are in train to promote energy conservation and end-use efficiency while adapting to climate change through greater use of renewables.

Chapter 7 Infrastructure and Energy

EirGrid will invest €4 billion from now up to 2025 in the national transmission grid under the Grid 25 Strategy. EirGrid has recently selected a new technology that will substantially cut the cost of upgrading the country's electricity. The new conductor technology – HTLS (High Temperature Low Sag) is capable of carrying more power by operating at a higher temperature and will enable the cost-effective implementation of 2,200km of upgrades to the national grid over the next 15 years under the Grid25 grid development strategy. They will be used at 220,000 volts and 110,000 volts – the equivalent of “national roads” and “dual carriageways” on the national grid.

EirGrid is currently developing the 500MW East-West Interconnector, from Woodland in Co. Meath to Deeside in North Wales, for completion in 2012. Together with the existing Moyle Interconnector, this will bring total interconnection capacity between the island of Ireland and Great Britain to 1000MW.

ESB capital expenditure in 2009 was over €800m with about €490m spend in distribution networks, €50m in renewables and €80m in power generation. Budgeted expenditure for 2010 is €500m on distribution networks, €150m on renewables and €80m in power generation.

By end 2009 EirGrid and ESB spent approximately €130 million on development of Ireland's transmission system, comprising pre-planning applications, planning, consultation and actual build of infrastructure.

In 2009 Bord Gais Eireann invested over €900 million in extending, maintaining and upgrading the gas infrastructure on the island and in developing its renewable and conventional wind generation portfolio, including investment in over 200MW of developmental and operational wind farms.

Electric Vehicles

The Irish Government has ambitious plans for the large scale deployment of electric vehicles in Ireland. We have set a target of 10% of all vehicles to be powered by electricity by 2020 and all our relevant Departments and Agencies are working together to ensure that the necessary policies and infrastructure are in place to meet this target. This target of 10% by 2020 will represent up to 250,000 cars on Irish roads. The Department of Communications, Energy and Natural Resources, in conjunction with the ESB, is leading on the national deployment and roll out of Electric Vehicles.

The enterprise and industrial possibilities offered by this technology are potentially substantial. The challenge now for Ireland is to develop a cost efficient electric vehicle infrastructure network, together with measures to develop a market for the vehicles themselves, promote Ireland as a test-bed location, and to continue to position the country as an early mover in this sphere.

The Government has confirmed in Budget 2010 that the VRT exemption for electric vehicles and the VRT reliefs of up to €2,500 for plug-in hybrid vehicles, which were due to end on 31 December 2010, are being extended for a further two years until end 2012. The Budget also signalled commitment to give support to offset the initial battery costs for electric vehicles.

Chapter 8 The Green Economy and Sustainable Jobs

In recent years we have provided a strong and wide-ranging set of incentives for the domestic and business sectors of the economy to adopt sustainable practices and to stimulate the green economy. The Smart Economy Framework emphasises our strong commitment to the pursuit of a 'Green Economy', which involves implementing a 'new green deal' that sees Ireland transition to a low carbon economy, the promotion of green enterprise and the creation of 'green collar' jobs. This strategy is now paying dividends, fostering a new generation of innovators, supporting exciting collaborative projects and delivering future sustainable solutions to the marketplace.

While responding to climate change provides a set of challenges for the country as a whole, it also provides many business opportunities in mitigating but also adapting to climate change. Maximising the potential for Irish business, and for job creation, of the growing worldwide interest in 'green' solutions to today's problems and challenges is a key focus for Ireland in adding this sector to our enterprise portfolio.

*In view of the huge potential this sector has to offer the Government in the Smart Economy Framework committed to establishing a High Level Action Group on Green Enterprise. The Report of the **High Level Action Group on Green Enterprise**, published in December 2009 identified the potential to create approximately 80,000 new jobs in Ireland in the environmental goods and services sector, as well as highlighting the subsectors where it saw most potential for Ireland (Renewable Energy, Energy Efficiency, Waste Management and Water and Waste Water).*

Green stimulus

The Revised Estimates Volume for 2010 commits spending of over €1 billion on programmes that support and stimulate the green economy.

Significant progress has been made through targeted policies to stimulate the green economy and to support green enterprises in Ireland.

These policies are drawing considerable investment and demonstrate real job potential both now and in the future. Ireland's green stimulus comes from specific spending on areas such as: renewable energy, energy efficiency, green public procurement, water services, grid infrastructure, green R&D, green skills and education, and

development agencies support for cleantech companies.

In the context of the wide-ranging policy framework to create a more sustainable economy it is useful to broadly outline the wide reach of the policies and actions in this area.

Green Enterprise and Green Skills

Ireland has the ambition and potential to become a major hub for investment in the rapidly developing Clean Technology sector. Both IDA Ireland and Enterprise Ireland are focusing on this key sector. Such investments open Ireland to new clients

Chapter 8 The Green Economy and Sustainable Jobs

Framework Policies Driving our Sustainable Economy include:

- Building Ireland's Smart Economy, a Framework for Sustainable Economic Renewal, December 2008
- Developing the Green Economy in Ireland: Report of the High-Level Action Group on Green Enterprise, December 2009
- Forthcoming National Action Plan on Green Public Procurement
- Sustainability Policy of the Office of Public Works
- Introduction of Carbon Tax in Budget 2010
- Smarter Travel, A Sustainable Transport Future, a New Transport Policy for Ireland 2009- 2020, February 2009 (€23 million provided for in 2010 Revised Estimates Volume)
- National Climate Change Strategy 2007-2012
- National Spatial Strategy for Ireland 2002-2020, People, Places and Potential
- Energy Policy White Paper, 2007
- GRID25, A Strategy for Development of Ireland's Electricity Grid for a Sustainable and Competitive Future, October 2009
- National Energy Efficiency Action Plan, 2009-2020

Funding Programmes in 2010 include:

- Sustainable Energy Programmes (including energy efficiency retrofitting) - €105.136 million
- Water Services Investment Programme - €508 million
- Retrofitting of the public housing stock - €45 million
- Rural Environment - €330 million

while increasing the potential to bring material benefits to our existing clients and by extension the overall Irish economy. Ireland also has a growing indigenous clean technology industry developing and testing ocean energy prototypes around Ireland.

We have developed courses to meet the need for qualified workers in Sustainable Energy Technologies. These courses include: Solar Panel Installation, Geo-thermal heating and Biomass heating and Building Energy Rating. We are also developing courses in Micro Electricity Generation, Intelligent Building Systems Control, Thermal Insulation and Passive Housing and Air Permeability Testing of Buildings.

Sustainability and the 'green economy' have also required a redirection in certain building skills to equip those in the building trade to meet the increased demand for sustainable housing and energy systems.

A number of Skillnets¹⁰ networks are providing Building Energy Rating training courses to their members. FÁS have developed a Building Energy Assessment training course.

Energy Efficiency and Sustainability for Irish companies

Enterprise Ireland's Greentech financial support is designed to encourage companies to examine how they can integrate more sustainable practices into the everyday running of their business. Examples of areas supported are: Environmentally Superior Products, Implementing Environmental Standards, Applying for Eco-labels, Carbon Footprint Measurement, and Verifiable Environmental Improvements to Processes or Products that will enhance business opportunities.

¹⁰ Skillnets is a state funded, enterprise-led support body dedicated to the promotion and facilitation of training and upskilling as key elements in sustaining Ireland's national competitiveness.

The Irish Energy Management Standard (IS 393), which was developed in 2005, is one of the first of its kind in the world. The Standard adopted by nearly 100 companies that account for over 80% of industrial energy use and CO2 emissions in Ireland, has resulted in savings of over €100 million on energy costs since its introduction.

The Irish standard has heavily influenced the EU Standard (IS EN 16001), which was adopted by the EU in September 2009.

Renewable Energy Research

Government funds green R&D through a variety of means including, SFI, Enterprise Ireland, the Environmental Protection Agency, Sustainable Energy Ireland and the Higher Education Authority. Renewable Energy research is a major funding pillar given the dividends it can pay out for the Irish economy in terms of energy security and transition to a low carbon economy. In July 2009, SFI's Energy Strategy was launched, setting out its strategic approach to developing the research base that underpins sustainable energy and energy-efficient technologies.

Ireland has some of the best wind and wave resources in the world. This not only makes ambitious renewable energy targets possible, it also makes Ireland an ideal research and test bed location for these renewable technologies. Many of the 1,000 multinational companies already operating in Ireland are diversifying into this sector and taking advantage of their local know-how and technology development expertise to explore new technologies and energy efficiencies. Research and Development is a key activity for Clean Tech companies and Ireland's broad range of universities and educational institutes are a key attraction and ensure that we can supply highly skilled and educated graduates to support their work.

Chapter 9 Our Global Market Footprint

Changing dynamics in world trade are offering new possibilities for Irish exporters and it is likely the Top 10 destinations for Irish goods exports will begin to change and include new names over the coming years. For this reason we have commenced a fundamental review of our Trade and Investment Strategies to strengthen performance in our existing markets and to develop links with fast-developing markets.

Ireland's exports have shown resilience in 2008 and 2009. This resilience is partly due to a strong performance in Chemicals and Pharmaceuticals exports. For our size, Ireland has a disproportionately large share of world trade markets, particularly in relation to services.

A return to growth in our main trading partners, accompanied by a sustained improvement in our own competitiveness, should present opportunities for further export growth in existing markets. We are also focused on exploiting the potential of emerging and high-growth markets. In addition, there is scope for future growth in Europe, as to date Ireland has not fully realised the potential of our membership of the euro zone and EU Single Market for diversifying trade from the UK and for attracting investment from high-growth new and emerging markets.

We are consistently striving to diversify our export profile, exploit our talents and opportunities and guard against over-dependence on any specific markets. Our track record on this is strong and is exemplified by the Government's Asia Strategy. In 2005 we set specific targets to be achieved through concerted effort by the relevant Departments and Agencies, to develop links with eight key economies in the region. As a result, our exports to Asian target markets showed strong double-digit growth. We now have 233 Irish companies with a presence in those countries. Food and drink exports are significantly ahead of target and a whole range of other initiatives have achieved significant results in terms of tourism, education, academic links, diplomatic initiatives and others.

Network of Embassies and Enterprise Support Agencies

Ireland's network of Embassies has a critical role to play in promoting economic development, especially in the emerging markets. In light of the current challenges, Embassies have put economic development to the top of their agenda. The Embassy role embraces developing high-level contacts in the political and administrative systems so as to facilitate the work on the ground of State agencies, business organisations and individual companies in accessing business opportunities.

Embassies have a key role too in marshalling senior business figures and Irish-related business networks in foreign markets to support our export and foreign investment effort. Embassies also give direct support to the work of Agencies such as Enterprise Ireland, IDA, Bord Bia and Tourism Ireland. Particularly in these challenging economic times, Embassies represent a key part of the front line in promoting Ireland's economic recovery strategy and the reasons why Ireland and Irish business remain very attractive business partners

In 2009, IDA redeployed 10% of its staff resources from administrative functions to business generation and expanded its offices in the US, as well as opening new offices in China and India.

Enterprise Ireland maintains a network of 31 International Offices around the world to provide assistance to Irish exporting companies. These offices are manned by specialists and provide a range of services for exporters. They are strategically located to support access to our existing export markets and, significantly, to new and emerging high-growth markets in Asia, the Gulf States, Russia and Latin America.

Trade, Tourism and Investment Missions

Close cooperation takes place between Government Departments and Agencies to ensure that the best use is made of the promotional opportunities presented by Ministerial visits overseas.

In 2010, a number of important Trade Missions to key markets will take place. These Trade Missions are invaluable in building on established business relationships, resulting in increased exports to

existing markets and in creating openings in new markets and sectors.

Embassies are expected to identify opportunities to maximise the economic promotional potential of trade missions and other foreign Ministerial itineraries. They can be a particularly valuable catalyst in generating trade, especially in countries where political support for companies is an important factor in the local business culture.

In particular, the Government has decided that in relation to Ministerial visits abroad for St. Patrick's Day, special efforts should be made to ensure that the themes, programmes and messages for these visits have a strong economic content.

The Department of Foreign Affairs has been working closely with other Departments and State Agencies, to prepare a programme of Ministerial visits and develop clear, coordinated messages that will be delivered worldwide, to ensure that the economic impact of St Patrick's Day is maximised across a wide range of sectors.

Tourism Ireland has developed a comprehensive St Patrick's Day related marketing campaign in the US, Britain, Europe and Australia, aiming in Britain to make it the largest consumer event in the first quarter of 2010 and mounting a St Patrick's Month campaign in Australia.

Government Ministers will present a strong and focussed economic message during St Patrick's Day visits abroad which will emphasise that the hard decisions have been taken and that solid progress has been made in relation to the public finances, the banking sector and in relation to competitiveness.

Building on these steps, St. Patrick's Day 2010 will be used to reassure international commentators and business partners that Ireland is firmly on the road to recovery and is following a well-planned strategy to restore our prosperity.

Trade Policy: Making Life Easier for Exporters

We are a small, open trading nation, exporting all over the world. We rely on new market openings to extend the reach of our exporters and give them new market opportunities. While trade missions open doors for our businesses, international trade agreements very often open the markets in the

Chapter 9 Our Global Market Footprint

first place. They reduce tariffs, remove obstacles, and provide the legal framework for trade to flow. All of these are important if we are to boost trade and improve the conditions for our exporters to build on. At the same time, we need to ensure that existing markets remain as open as possible so that our exporters can compete fairly.

Using the combined strength of the EU, we work to negotiate favourable arrangements and to persuade our trading partners to remove obstacles and refrain from erecting new barriers. Our ambition to get more access to global markets through trade agreements will match the drive of our companies to succeed in export markets.

Tapping into the Irish Business Diaspora: the Global Irish Network

In September 2009, with a view to stimulating and enhancing economic links with the overseas Irish, the Global Irish Economic Forum was held at Farmleigh. It brought together international business, cultural and political figures with Irish links, or a strong interest in Ireland. The Forum was convened with two broad objectives: to explore how the Irish at home and abroad, and those with a strong interest in Ireland, could work together and contribute to our overall efforts at economic recovery; and to examine ways in which Ireland and its global community could develop a more strategic relationship with each other, particularly in the economic sector.

A range of themes and specific proposals emerged from the Forum, including the setting up of a new global Irish network. The Government established the Global Irish Network in February 2010, composed of those who have a high record of achievement in international business or those who have assisted in the promotion of Ireland abroad through their prominence in the cultural or sporting worlds.

This Network will maintain and deepen the relationship established at Farmleigh between the Government and the most influential members of the global Irish business community, building on the links already maintained by our Embassies and State Agencies in individual countries and regions. It will facilitate greater strategic and practical interaction between the public and private sectors in Ireland and leading business figures within the global Irish community. It will also provide a formal forum through which members can exchange

views and take forward practical initiatives.

Specifically it is envisaged that the Global Irish Network will facilitate new business opportunities for Ireland and Irish business sectors at this important and challenging time, and will provide a new and useful channel for the positive energy and enthusiasm for which the Irish are renowned worldwide as we look forward to new international opportunities.

Meetings with the members of the Global Irish Network will also form an important element of the St Patrick's Day programmes.

Expo Shanghai 2010

The Irish pavilion at Expo will reflect the priority identified at the Forum of combining culture and business when promoting Ireland abroad, particularly in Asia. Culture Ireland, Enterprise Ireland and Tourism Ireland are preparing promotional programmes for Expo in coordination with the Department of the Taoiseach and the Department of Foreign Affairs.

Chapter 10 Conclusion

We have laid the groundwork for recovery and are poised to respond to international recovery. While we are working in the context of an EU recommendation and timeframe to reduce our budget deficit, we are first and foremost taking action to improve the macroeconomic climate and trading environment for business and workers, driving recovery and maintaining living standards.

We are applying all our energy and ambition to ensure that we lay the foundations for a steady recovery - and that it leads to new opportunities for our industries and for our workforce. We are targeting our resources on productive, strategic investment that will have a clear return for the Exchequer and the economy. NAMA has been established to ensure that our banking system can return to its core function of lending to business, thereby supporting employment.

The rationale for boosting productivity and pursuing a primarily export led growth model in the Irish economy is sound. It is the only viable option and has worked well in the past. Government policy is creating the right conditions for business to invest with confidence. Our enterprise strategies are firmly focused on identifying and supporting sectors where we can attract new investment and create jobs, and provide a platform for long-term growth in all our industry sectors.

Many companies already possess the necessary skills and capabilities for international engagement and export success and it is widely acknowledged that a broad spectrum of innovation activities have contributed to their successful performance. Finding new ways of adding value to products and services is essential, and the key to adding value is through innovation. Our continued support for innovation will play an important role in driving economic growth, and at firm level, creating new sources of competitive advantage. Making Ireland a more attractive place for world-class innovation will boost investment, expand our skills base, improve productivity levels and also help anchor the various leading multinationals already based here.

Ireland will achieve growth through harnessing the skills, management capabilities, experience and ambition of our people and our enterprises and targeting these attributes at creating innovative solutions and products/services that the world will want to buy. By selling on international markets, we will create jobs and prosperity at home.

Without underestimating the challenges ahead, we are well positioned to seize opportunities in the coming years.

Key elements of Enterprise and related policy initiatives for 2010

- A new Strategy for Trade, Tourism and Investment will be developed in early 2010.
- A Review of Enterprise Policy will be completed by mid 2010.
- Implementation of the *Smart Economy Framework* will continue to be prioritised in 2010.
- The recommendations in the Report of the High Level Action Group on Green Enterprise will be implemented in 2010.
- A study will be conducted in 2010 to determine the future skills requirements of enterprises engaged within the 'green economy.'
- The Report of the Innovation Task Force will be published early 2010.
- A new Higher Education Strategy will be published mid 2010.
- A progress statement on the implementation of the National Skills Strategy will be produced in early 2010.
- Project Maths will be implemented in all secondary schools from September 2010
- A new 2020 Agrifood Strategy will be completed by mid 2010.
- Market testing of the Innovation Fund proposed is currently being undertaken by the NTMA, testing the best way to design the Fund with venture capital companies and other stakeholders;
- The recently launched report of the Tourism Renewal Group contains a Framework for Action for tourism's survival, recovery and growth over the period to 2013. This Framework will be implemented in 2010.
- A Farnleigh Overseas Graduate Programme will commence in 2010.
- All Departments with Regulation affecting business are listing and prioritizing their legislation, identifying where the most important administrative burdens for business arise.
- The High Level Group on Business Regulation will continue to prioritise administrative cost savings for business in their 2010 work programme.
- A National Action Plan on Green Public Procurement will be launched in 2010.
- A comprehensive *Knowledge Society Strategy* will be published in 2010.

Main Infrastructure objectives 2010

- The five major inter-urban motorways will be completed to schedule in 2010,
- An integrated transport system in the Greater Dublin Area will be developed.
- The National Spatial Strategy Update and Outlook (to be published 1st quarter 2010) propose a range of actions aimed at prioritising infrastructure investment and ensuring appropriate governance arrangements in Gateways to support economic renewal.
- Our capital investment programme of €6.4bn – at about 5% of GNP – will be proportionately one of the highest in the EU.
- Planning and Development (Amendment) Bill, which will ensure that the planning system supports targeted investment in infrastructure and complementary zoning practices, is due to be enacted in early 2010.
- The National Broadband Scheme is to be fully rolled out by September 2010.
- Continue significant progress already achieved on delivery to schedule (2012) of the 500 MW East-West electricity inter-connector.
- National Grid to invest €4bn in transmission grid infrastructure by 2025.
- Terminal 2 at Dublin Airport will open in late 2010.
- The National Conference Centre – to be named The Convention Centre Dublin - is on schedule to open in September 2010 and will be an important resource for the growth of business tourism.



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