

Minutes for NCC Meeting 88

Meeting: National Competitiveness Council No 88
Venue: Royal College of Physicians, Dublin 2
Date: 8:30 – 10.30, Wednesday 9th November 2016

Members Present:

- Prof Peter Clinch, Chair
- Pat Beirne, Chief Executive Officer, Mergon Group
- Kevin Callinan, Deputy General Secretary, IMPACT Trade Union
- Micheál Collins, Senior Research Officer, University College Dublin
- Isolde Goggin, Chair, Competition and Consumer Protection Commission
- Cathriona Hallahan, Managing Director, Microsoft Ireland
- Declan Hughes, Assistant Secretary, Department of Jobs, Enterprise and Innovation
- Sean O'Driscoll, Chairman and Chief Executive Officer, Glen Dimplex Group
- Ian Talbot, Chief Executive, Chambers Ireland
- Martin Shanahan, Chief Executive, IDA Ireland

Advisors

- John McCarthy, Department of Finance
- Patricia Cronin, Department of Communications, Climate Action and Environment
- Kathleen Gavin, Department of Education and Skills
- Conan McKenna, Department of Justice and Equality
- David Moloney, Department of Public Expenditure and Reform
- Ray O'Leary, Department of Transport, Tourism, and Sport
- John Shaw, Department of the Taoiseach

Apologies

- Brid Cannon, Department of Agriculture, Food and the Marine
- Jane Magnier, Joint Managing Director, Abbey Tours
- Danny McCoy, Chief Executive Officer, IBEC
- Louise Phelan, Vice President of Global Operations, Europe Middle East and Africa, PayPal
- Dave Shanahan, Chief Executive, Adagio Ventures Commercialisation Partners
- Julie Sinnamon, Chief Executive, Enterprise Ireland
- Dave Walsh, Department of Housing, Planning and Local Government
- Jim Woulfe, Chief Executive, Dairygold

Secretariat

- Marie Bourke
- Eoin Cuddihy
- Conor Hand
- John Maher



<p>88.1 Introduction and Minutes from Meeting 87</p> <ul style="list-style-type: none"> ▪ The Chair welcomed the new Advisors to the Council: John Shaw, Assistant Secretary, Department of the Taoiseach who is replacing John Callinan; Kathleen Gavin, Principal Officer, Department of Education and Skills and Patricia Cronin, Assistant Secretary, Department of Communications, Climate Action and Environment. ▪ The minutes from meeting 87 were approved. 	<p>No action</p>
<p>88.2 Matters Arising</p> <ul style="list-style-type: none"> ▪ Marie Bourke noted the <ul style="list-style-type: none"> ○ significant consultation which followed the last meeting in relation to the Ireland's Competitiveness Challenge 2016 ○ NCC bulletin on Ireland's rankings in the World Economic Forum's <i>Global Competitiveness Report 2016-17</i> was published on 28 September 2016 ○ NCC submission was made to DHPCLG's <i>Public Consultation – A Strategy for the Rented Sector</i> ○ The Chairs attendance at the All Island Civic Dialogue on Brexit on 2 November 2016 and the intention of the Council to make a submission to D/Taoiseach on the matter 	<p>Submit Brexit NCC letter to D/Taoiseach</p>
<p>88.3 Competitiveness Challenge 2016</p> <ul style="list-style-type: none"> ▪ Conor Hand presented the latest Challenge document, which had been circulated to Members in advance of the meeting. He summarised the revisions made to the Report arising from the extensive consultations with both Council members and other stakeholders. ▪ The key messages in the Report are reflected in the Chair's preface and are as follows: <ul style="list-style-type: none"> ○ Substantial progress has been made in recent years; ○ Threats are emerging, most notably in relation to Brexit; ○ Need to address both short and medium-term challenges – but in both cases, action must commence immediately; ○ Tough choices need to be made, for example, in areas like water, USC, funding for higher education and property taxes; and ○ Capital investment, increasing housing supply, furthering RD&I efforts and resolving the third level funding issue are critical to promoting sustainable growth. ▪ The Chair emphasised that while the Council are restating the messages of the importance of enhancing competitiveness these are being stated more purposefully and with heightened urgency in this year's report given Brexit. He also emphasised that there is a need for both immediate and medium term action. ▪ Comments made on the Report included: <ul style="list-style-type: none"> ○ the change in the euro/sterling exchange rate may be a structural 	<p>Publish Ireland's Competitiveness Challenge 2016 in December 2016 following consideration at Cabinet</p>

<p>rather than cyclical (and is outside of Ireland’s control).</p> <ul style="list-style-type: none"> ○ the need to link the skills, digital and lifelong learning agendas ○ both housing and capital investment are immediate concerns and that greater urgency is required in the preface ○ labour shortages are likely to re-emerge in the near future and the Report needs to help prioritise spending which will drive productivity as demands on the Exchequer outweigh the capacity to pay. <ul style="list-style-type: none"> ▪ The Council members approved Ireland’s Competitiveness Challenge 2016 for publication. The Report will be submitted to MJEI and will also be presented to the SOG and Cabinet Committee on Economy, Trade and Jobs. It will then be submitted to Cabinet prior to publication. 	
<p>88.4 Ireland’s Productivity Performance 2016</p> <ul style="list-style-type: none"> ▪ John Maher gave an overview of the Council’s on-going examination of Irish productivity data. The draft report assesses Ireland’s performance vis-à-vis Denmark, Euro area, UK and US and covers the 10 year period to 2014 ▪ The key findings discussed were as follows: <ul style="list-style-type: none"> ○ Over the last decade, productivity growth has slowed in most OECD member states; ○ Ireland’s productivity performance is relatively strong in an international context; ○ Ireland’s productivity performance is however built upon a narrow base of sectors / firms; and ○ High value added sectors disguise underperforming sectors and firms. ▪ The Council considered and discussed the policy challenges arising from the research, particularly: <ul style="list-style-type: none"> ○ The need to broaden the productivity base and achieve both employment and productivity growth in parallel ○ Improving productivity performance in domestically focused companies and sectors ○ Extending global connectedness, via trade, FDI, and participation in Global Value Chains (GVCs) ○ Fostering innovative indigenous start-ups, scaling and improving survival rates ○ Developing management capacity and deepening investment and innovation activity 	<p>Publish Ireland’s Productivity Performance 2016 and the accompanying Bulletin.</p>
<p>88.5 Scoping for Brexit Benchmarking</p> <ul style="list-style-type: none"> ▪ An overview of the Council’s work to date on Brexit and related issues was given by Eoin Cuddihy. ▪ The Council have committed in the Challenge to undertaking a comprehensive statistical benchmarking report, similar in format to the 	<p>Circulate Benchmarking Report to Council in advance of the February 2017 meeting for</p>

<p>Competitiveness Scorecard, comparing Ireland's performance across a range of key competitiveness metrics with the UK. It will also benchmark the other relevant locations as appropriate</p> <ul style="list-style-type: none"> ▪ Members agreed to provide input on the list of proposed indicators ▪ The aim is to publish this Report by the end of Q1 2017 in advance of the UK's possible triggering of Article 50 	<p>observations, discussion at the next meeting and publication thereafter.</p>
<p>88. 6 Work Programme for 2017</p> <ul style="list-style-type: none"> ▪ Marie Bourke outlined the work programme for the NCC for 2017 as required by its Terms of Reference. ▪ Suggestions for consideration in developing the Work Programme were: <ul style="list-style-type: none"> ○ the importance of Ireland's institutional infrastructure ○ the competition implications of Brexit ○ the continuation of the productivity work previously discussed 	<p>No action</p>
<p>88. 7 Any Other Business</p> <ul style="list-style-type: none"> ▪ As per the NCC's terms of reference three members of the Council (the longest serving) retire from office on 31 December each year. The 6 longest serving Council members will be contacted in relation to membership rotation over the coming weeks. Retiring members are eligible for re-appointment ▪ The Chair noted that meeting dates for 2017 have been circulated. The next Council meeting is scheduled for 16th February 2017 	<p>No action</p>