

## Minutes for NCC Meeting 91

Meeting: National Competitiveness Council No 91  
Venue: O'Callaghan Mont Clare Hotel, Dublin 2,  
Date: 8:00 – 10:00, Thursday 29<sup>th</sup> June 2017

### Members Present:

Prof Peter Clinch, Chair  
Pat Beirne, Chief Executive Officer, Mergon Group  
Kevin Callinan, Deputy General Secretary, IMPACT Trade Union  
Micheál Collins, Assistant Professor of Social Policy, University College Dublin  
Isolde Goggin, Chair, Competition and Consumer Protection Commission  
Cathriona Halahan, CEO/Managing Director (Ireland), Microsoft  
Declan Hughes, Assistant Secretary, Department of Jobs, Enterprise and Innovation  
Danny McCoy, Chief Executive Officer, Ibec  
Julie Sinnamon, Chief Executive, Enterprise Ireland  
Ian Talbot, Chief Executive, Chambers Ireland  
Patrick Walsh, Managing Director, Dogpatch Labs

### Advisors

Patricia Cronin, Department of Communications, Climate Action and Environment  
John McCarthy, Department of Finance  
Ray O'Leary, Department of Transport, Tourism, and Sport  
John Shaw, Department of the Taoiseach  
Kevin Smyth, Department of Agriculture, Food and the Marine

### Apologies

Jane Magnier, Joint Managing Director, Abbey Tours  
Sean O'Driscoll, President, Glen Dimplex Group  
Martin Shanahan, Chief Executive, IDA Ireland  
Margot Slattery, Country President, Sodexo Ireland  
Jim Woulfe, Chief Executive, Dairygold Co-operative Society Limited  
Kathleen Gavin, Department of Education and Skills  
Conan McKenna, Department of Justice and Equality  
David Moloney, Department of Public Expenditure and Reform  
David Walsh, Department of Housing, Planning, Community and Local Government

### Secretariat

Marie Bourke  
Teodora Corcoran  
Eoin Cuddihy  
John Maher

<p><b>91.1 Minutes</b></p> <p>The minutes from meeting 90 were approved.</p>	<p>No action</p>
<p><b>91.2 Matters Arising</b></p> <p>Marie Bourke provided an update on activities since the last meeting:</p> <ul style="list-style-type: none"> <li>▪ Ireland’s Cost of Doing Business 2017 was considered by Government on 25th May. It was published on 1st June 2017 together with the Cost of Doing Business Competitiveness Bulletin.</li> <li>▪ An IMD Competitiveness Ranking was released on 2 June. Ireland is ranked 6<sup>th</sup> in 2017, an improvement of 1 place from last year. An NCC Competitiveness Bulletin and press release were issued in relation to the ranking.</li> </ul>	<p>No action</p>
<p><b>91.3 NCC Communications</b></p> <ul style="list-style-type: none"> <li>▪ Marie Bourke elaborated on publicity and media coverage associated with Cost of Doing Business and IMD.</li> <li>▪ The Chair and the Secretariat delivered a number of presentations in recent months to raise awareness of the NCC research and advocate for its recommendations.</li> </ul>	<p>No action</p>
<p><b>91.4 Ireland Competitive Scorecard 2017</b></p> <ul style="list-style-type: none"> <li>▪ Eoin Cuddihy presented on the draft <i>Competitiveness Scorecard 2017</i> report. The Scorecard builds on the <i>Cost of Doing Business</i> report and acts as a pre-cursor to the <i>Competitiveness Challenge</i>. The presentation focused on key issues emerging from the analysis as follows: <ul style="list-style-type: none"> <li>○ Quality of life – positive rankings for well-being but climate change presents significant challenges.</li> <li>○ Business performance – Ireland’s share of global exports and services have increased but composition and range of exported goods is increasingly concentrated. Irish firms face higher interest rates than competitors abroad.</li> <li>○ Costs and productivity – Ireland’s profile is described as “high cost, rising slowly”. Labour productivity is strong but influenced by employment composition and high value sectors.</li> <li>○ Infrastructure – inland capital investment is low.</li> <li>○ Employment – strong employment growth but a high proportion of youth who are neither in employment, education or training.</li> <li>○ Knowledge and Talent – GDP per capita expenditure on education is low among OECD countries.</li> <li>○ Top line conclusions - positive economic performance and favourable economic outlook but a number of domestic challenges and a range of external uncertainties remain.</li> </ul> </li> <li>▪ Council Members noted the draft report, and provided comments on the content and key messages, in particular:</li> </ul>	<p>Secretariat to take on board Member’s comments</p> <p>Subject to receipt of outstanding comments from Members and advisors, the Scorecard was approved - final text will be circulated by email</p>

<ul style="list-style-type: none"> <li>○ metrics based on GDP often do not reflect current economic reality in Ireland.</li> <li>○ the importance of maintaining fiscal sustainability while investing in infrastructure; upskilling the labour force; the link between infrastructure gaps and labour force participation rates; the impact of housing costs on competitiveness and the importance of the regulatory environment. These were raised as key issues.</li> <li>▪ Council members were asked to submit any final comments on the indicators and other matters, directly to the Secretariat by Wednesday, 5th July. On foot of final comments, the report will be revised and will be submitted for approval to the Tánaiste and MJEI, Senior Officials Groups, Cabinet Committee and Cabinet respectively prior to publication.</li> </ul>	
<p><b>g1.5 Discussion on the Key areas of focus for the NCC Challenge 2017</b></p> <ul style="list-style-type: none"> <li>▪ Based on the findings in the Scorecard, and in order to focus the discussion, Secretariat presented the following draft key challenges as a suggested approach to themes to be included in the 2017 Challenge: <ul style="list-style-type: none"> <li>○ Ensuring growth is sustainable – the need for policies that address, for example, fiscal sustainability, infrastructure &amp; climate change targets</li> <li>○ Enhancing the environment in which we do business, with a particular emphasis on export competitiveness – implementing policies in innovation, talent &amp; skills, productivity, investment incentives and the cost of investment.</li> </ul> </li> <li>▪ Council members offered the following comments and suggestions: <ul style="list-style-type: none"> <li>○ the need to address the extent to which GDP-based metrics overstate Ireland’s economic performance given the complex and highly-globalised nature of the Irish economy, promote an understanding of the implications of GNI</li> <li>○ to examine challenges in relation to climate change, the need for tax reform, competitiveness and infrastructure, education, skills and training and the labour force, increasing export competitiveness</li> <li>○ The need to emphasis productivity improvements, as Ireland moves nearer full employment - (how to address 'laggard' firms through upskilling including higher and further education and life long learning)</li> <li>○ Identify vulnerabilities, e.g private debt levels, productivity performance, UK exchange rate increases, concentration of tax revenues, debt to GNI ratio, potentially a full employment challenge, the need for innovation in the banking services and competitive public services</li> <li>○ Ensure Ireland provides for adequate regulation in the digital area</li> <li>○ Include the issue of participation rates and how the low rates might be</li> </ul> </li> </ul>	<p>No action</p>

<p>addressed for females including childcare and broadband investment</p> <ul style="list-style-type: none"> <li>○ Focus on what specifically can be done to increase company competitiveness , e.g.product innovation, robotics, artificial intelligence</li> <li>○ It was agreed to include a section on the impact of Brexit on the Irish economy</li> </ul>	
<p><b>g1.6 Any other business</b></p> <ul style="list-style-type: none"> <li>▪ Council members requested that the presentation for the meeting is circulated</li> </ul>	<p>Secretariat to circulate the presentation</p>