

Minutes for NCP Meeting 113

Meeting: National Competitiveness and Productivity Council No 113
Venue: Department of Foreign Affairs, Iveagh House, Dublin 2
Date: 8.30 am – 10.30 am, Thursday 26 October 2023

Members Present:

Dr Frances Ruane, Chair
Fergal O'Brien, Executive Director, Lobbying and Influence, Ibec
Patrick Walsh, Managing Director of Dogpatch Labs
Michael Taft, Research Officer, SIPTU
Neil McDonnell, Chief Executive, ISME
Breda O'Sullivan on behalf of Michael Lohan, Chief Executive, IDA Ireland
Leo Clancy, Chief Executive, Enterprise Ireland
Brian McHugh, CCPC
Bernadette McGahon, IRDG
Edel Clancy, Musgrave Group
Maeve Dineen, Financial Services and Pensions Ombudsman
Liam Madden, System X, Stanford University [by video]

Advisors Present:

John Shaw, Department of the Taoiseach
Ann Marie Brooks, Department of Children, Equality, Disability, Integration and Youth
Cian O Lionáin, Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media
Evin McMahon, on behalf of Lisa Keyes, Department of the Environment, Climate and Communications
Niall Egan, Department of Social Protection
Garret Doocey, Department of Transport
John McCarthy, Department of Finance
Colin Menton, Department of Public Expenditure and Reform
Colm Hayes, Department of Agriculture, Food and the Marine
Andrew Munro, Department of Justice

Apologies

Ciarán Conlon, Director of Public Policy, Microsoft, Ireland
Laura Bambrick, Head of Social Policy & Employment Affairs, ICTU
William Beausang, Department of Further and Higher Education, Research, Innovation and Science
Paul Hogan, Department of Housing, Local Government and Heritage
Keith Fitzgerald, Secretariat, Department of Enterprise, Trade and Employment
Pádraig O'Sullivan, Secretariat, Department of Enterprise, Trade and Employment

Secretariat

Dermot Coates
Rory Mulholland
Karen Hogan
Erika Valiukaite

	Action
<p>113.1 Department of Foreign Affairs Welcome Remarks</p> <ul style="list-style-type: none"> ▪ Karl Gardner (Economic Unit Director, DFA) welcomed the Council and gave an overview of Department of Foreign Affairs view of global developments impacting competitiveness in Ireland. 	
<p>113.2 Chair's Introduction, Minutes & Matter Arising</p> <ul style="list-style-type: none"> ▪ The Chair opened the meeting. ▪ The minutes from NCPC meeting 112 were approved. ▪ The Chair welcomed Brian McHugh in his first meeting as the new head of CCPC. ▪ The Chair also welcomed Erika Valiukaite who has joined the Secretariat. 	
<p>113.3 EU Competitiveness Presentation</p> <ul style="list-style-type: none"> ▪ The Chair introduced the agenda item. ▪ The Secretariat gave a presentation outlining developments in the EU competitiveness agenda, the proposed framework for driving improvements in competitiveness, developments in open strategic autonomy and how this might impact Ireland's position. ▪ The Chair invited Members to share their views. <p>Members Comments</p> <ul style="list-style-type: none"> ▪ Members welcomed this discussion. ▪ Members noted the impacts of regulatory burden on businesses as potentially damaging, especially to SME's. The Directive on corporate sustainability reporting (CSRD) as well as the Late Payment Proposal were noted as important considerations. <ul style="list-style-type: none"> ▪ The current focus on strategic autonomy was raised and it was noted that the direction of travel is worrying. The chipping away of the single market and the subsidies which remain in place since COVID-19 was noted as being difficult to justify. Members noted that it appears to be a shift towards strategic autonomy and away from competitiveness. ▪ Members referred to the need to look at improving our own competitiveness through the green and digital areas as these are areas which will be most affected by the coming changes. ▪ Members noted that countries are increasingly concerned about how to assess competitiveness using a framework, and how the heterogenous impacts across firms and sectors can be reflected in such. ▪ Members asked the question of how the NCPC might best influence the shape of developments in policy. ▪ It was agreed that this topic will be on the agenda again in the December meeting. 	<p>Secretariat to consider the feedback and revert to the Council.</p>

<p>113.4 Revisiting the Competitiveness Pyramid</p> <ul style="list-style-type: none"> ▪ The Chair and the Secretariat introduced the agenda item and opened it up for members to discuss. ▪ It was noted that the pyramid is of its time in terms of terminology. ▪ Members noted the conflict emerging in sustainability and competitiveness. In EU the same importance is now placed on environmental and social sustainability, and the focus has shifted away from purely economic sustainability. Sustainability should come through in all aspects of framework. ▪ The need for simplicity, easy to understand language, and dynamics/linkages as well as a strong focus on climate to come through, was noted. ▪ It was suggested to split tax from the business environment, drop clusters and replace with 'innovation', include financial stability and AI, supply chains, keep basic infrastructure including power connections and keep functioning markets. Equality, Poverty (and particularly child poverty) and transparency were also noted as important considerations. External vs internal costs was also raised. ▪ Members agreed that the wheel was generally preferred over the pyramid. ▪ The relevance of export performance was raised. A country can have strong exports but a weak domestic economy. ▪ Enterprise Ireland has offered to give a presentation at the first meeting next year outlining findings of the study currently taking place on productivity engagement which targets different firms. 	<p>Secretariat to revert to the Council</p>
<p>113.5 Ireland's Competitiveness Challenge 2023</p> <ul style="list-style-type: none"> ▪ The Chair opened the agenda item. <p>Members Comments</p> <ul style="list-style-type: none"> ▪ Members discussed the idea of an earlier publication as a way of stronger emphasis on the budget. It was also noted that the Challenge report tends to be focused on longer term issues than the Budget. ▪ The idea of a review after the third Government response was raised, and the Secretariat will revert on this. ▪ The idea of a smaller number of recommendations in the report was raised as a way to be more impactful in certain areas. ▪ Members raised the idea of a one-page (or three to four page) policy statement or a bulletin including a recommendation on long-standing and key issues such as legal costs and labour costs. It was noted that if a recommendation is included it needs to be shared with members ahead of publication. 	<p>Secretariat to revert to the Council</p>

<p>113.6 Past NCPC Engagements</p> <ul style="list-style-type: none"> ▪ The Chair has continued to represent the Council at the Department of Enterprise, Trade and Employment and ESRI Joint Research Programme Steering Group. Papers are expected to be published in the coming months. ▪ The Chair and the Head of the Secretariat gave a presentation at the annual conference of the OECD Global Forum on Productivity 'Understanding GVA, Productivity & Globalisation: Incentivising R&D in Ireland'. ▪ The Chair presented at the Dublin Economic Workshop in September. Members of the Secretariat also presented at the workshop on their paper on Labour Productivity in the Business Economy. 	
<p>113.7 Future NCPC Engagements</p> <ul style="list-style-type: none"> ▪ The Secretariat has begun exploring the possibility of hosting a regional workshop on competitiveness in 2024 and have been in contact with University of Limerick in relation to this. This would be outside of the Council's quarterly meeting. ▪ There are plans for a seminar to discuss the previously raised papers coming out of the DETE-ESRI Research Programme. This will likely be in Q1 2024 – Council Members will receive invites and are welcome to attend if they wish. 	
<p>113.8 AOB</p> <ul style="list-style-type: none"> ▪ Date for the next Council meeting: 14th December 2023 @ at 8.30am 	