

Minutes for NCC Meeting 98

Meeting: National Competitiveness Council No 98
Venue: Alex Hotel, 41-47 Fenian St, Dublin 2,
Date: 8.30 – 10.30, Thursday 17 Oct 2019

Members Present:

Dr Frances Ruane, Chair
Ciarán Conlon, Director of Public Policy, Microsoft, Ireland
Dirk Pilat, Deputy Director for Science, Technology and Innovation, OECD
Pat Beirne, Chief Executive Officer, Mergon Group
Kevin Callinan, General Secretary Fórsa
Micheál Collins, Assistant Professor of Social Policy, University College Dublin
Isolde Goggin, Chair, Competition and Consumer Protection Commission
David Hegarty, Assistant Secretary, Department of Jobs, Enterprise and Innovation
Fergal O'Brien, Director of Policy and Chief Economist, Ibec
Ian Talbot, Chief Executive, Chambers Ireland
Patrick Walsh, Managing Director, Dogpatch Labs
Sean O'Driscoll, President, Glen Dimplex Group

Advisors

John McCarthy, Department of Finance
Ray O'Leary, Department of Transport, Tourism, and Sport
John Shaw, Department of the Taoiseach
Sinead McPhilips, Department of Agriculture, Food and the Marine
Carol Baxter, Department of Justice and Equality
John Conlon, Department of Employment and Social Affairs

Apologies

Julie Sinnamon, Chief Executive, Enterprise Ireland
Jim Woulfe, Chief Executive, Dairygold Co-operative Society Limited
Martin Shanahan, Chief Executive, IDA Ireland
Margot Slattery, Country President, Sodexo Ireland
Patricia Cronin, Department of Communications, Climate Action and Environment
Maria Graham, Department of Housing, Planning and Local Government
Kathleen Gavin, Department of Education and Skills
David Moloney, Department of Public Expenditure and Reform

Secretariat

Marie Bourke
Manus O'Donnell
Linda Kane
Santosh Aryal
Tamsin Greene Barker

<p>98.0 Welcome</p> <p>The New Chair welcomed the new appointees to the NCC</p> <ul style="list-style-type: none"> ▪ Members - Dirk Pilat and Ciarán Conlon ▪ Advisor – Carol Baxter ▪ Secretariat – Linda Kane and Tamsin Greene Barker 	
<p>98.1 Introduction for New Chair</p> <p>The Chair informed the Council of her recent meeting with D/Taoiseach</p> <ul style="list-style-type: none"> ▪ The meeting was to follow up on previous discussions in relation to the Government response to Council's priority recommendations, as outlined in <i>Future Jobs 2019</i> ▪ It was agreed that the Council's <i>Competitiveness Challenge 2019</i> report will go to Government for information and the Government will respond within two months ▪ The Chair will inform the Council of the Government response on next Council meeting in Feb 2020 	No action
<p>98.2 Minutes/matters Arising</p> <p>The minutes from meeting 97 were approved.</p> <p>Marie Bourke (MB) provided an update on activities since the last meeting:</p> <ul style="list-style-type: none"> ▪ Ireland's Competitiveness Scorecard 2019 was considered by Government and published on 10 July 2019 ▪ NCC submission to LRSA was published on 2 September ▪ WEF Competitiveness Ranking Bulletin was issued on 9 October <p>MB informed the members that the <i>Challenge 2019</i> reflects the changes discussed on the last Council meeting- namely, shorter in length, more focus on few key issues and less recommendations. The <i>Challenge 2019</i> focuses on two key areas of competitiveness:</p> <ul style="list-style-type: none"> ▪ Productivity ▪ Cost 	Secretariat to publish minutes in the website
<p>98.3 Discussion on the NCC Productivity Statement 2019</p> <ul style="list-style-type: none"> ▪ MB presented the NCC's Productivity Statement 2019. <p>Members input</p> <ul style="list-style-type: none"> ○ Productivity statement needs to include policy recommendations ○ Using firm-level data to examine the types of 'laggard firms' ○ the need for sector specific policy interventions to improve the productivity of laggard sectors like construction should be addressed in the paper 	Secretariat to take on board Member's comments in the final report

<ul style="list-style-type: none"> ○ the need to link the importance of Management Skills, soft skills alongside ICT skills with productivity ○ Links between productivity, economic growth and sustainability should be highlighted more clearly ○ Conclusion should be more focused towards the need to improve domestic sector productivity. 	
<p>98.4 Ireland's Competitiveness Challenge 2019</p> <p>Manus O' Donnell and Santosh Aryal presented the draft report and highlighted the issues emerging from each theme</p> <p>Productivity</p> <ul style="list-style-type: none"> ○ FDI spillovers – need for more Irish firms to integrate into the supply chain of MNEs to improve spillovers ○ The Digital Economy – Ireland remains competitive but needs to address the concerns around Infrastructure, ICT Skills, Knowledge gaps, financing gaps and security issues to create an all-inclusive digital economy. Ireland needs a National Digital Strategy. ○ Infrastructure – Focus is needed in terms of new measures to reform project selection, appraisal and procurement process. Governance challenges needs to be addressed for speedy delivery of infrastructure projects. Investment in competitiveness enhancing expenditure is required including digital and physical infrastructure ○ Education and Skills – At an aggregate level Ireland performs relatively well but concerns remain in relations to third level funding model, lifelong learnings and skills mismatches. <p>Conclusions - positive aggregate productivity numbers but needs policy intervention to improve productivity performance of domestic sector firms.</p> <p>Cost</p> <ul style="list-style-type: none"> ○ Cost of Credit – Need to increase awareness of various Government's schemes regarding the financing options available to Irish based enterprises. Need to improve competition between lenders. ○ Insurance – implementation of the Cost of Insurance Working Group's recommendations noted and recommend evaluation of its impact on insurance premia ○ Legal Service cost – legal service cost remains high in Ireland. Ongoing reform of the sector to improve transparency is noted <p>Conclusions - Ireland's cost profile remains high but rising slowly. Costs pressures are evident in relation to credit, PL insurance and legal services prices.</p>	<p>Secretariat to take on board Member's comments in the final report</p> <p>Subject to receipt of outstanding comments from Members and advisors, the Challenge was approved.</p> <p>Members to submit outstanding recommendations within a week</p>

<p>Members Inputs</p> <p>Council Members noted the draft report, discussed the findings and provided comments on the content and key messages, in particular:</p> <ul style="list-style-type: none"> ○ Rather than the productivity gap that exist between MNE and domestic firms, sector specific policy interventions to improve the productivity of laggard sectors like construction should be highlighted ○ the link between productivity, management skills, software skills, and innovation; and, the need for sector specific supports should all be highlighted. ○ Members expressed their concern around the delays in the publication of the National Digital Strategy and NBP roll-out. ○ The fall in international rankings and Higher Education and funding issues (no Irish third level college is in the top 100) for higher education were mentioned by a number of members. ○ MNC's productivity success and the need for indigenous firms to tap into the eco-system created by MNC's can be highlighted further. ○ Some members suggested the idea of analysing productivity gap across geographical regions of Ireland ○ The 'what's being done?' section of the chapters should not come across as a sales pitch for Government programmes. ○ The recommendations in the Challenge should be more direct and purposeful. <p>Council members were asked to submit any final comments on the draft challenge report directly to the Secretariat within a week of this meeting. On foot of final comments, the report will be revised and will be submitted for approval to the Minister for Business, Enterprise and Innovation and Cabinet for noting prior to publication.</p>	
<p>98.5 Future Jobs first Progress Report</p> <ul style="list-style-type: none"> ▪ MB informed the Council about the publication of the first <i>Future Jobs 2019</i> progress report published on H1 2019 ▪ Chair suggested the NCC wait for the 2nd progress report before reviewing and commenting on it. NCC to continue engagement with the initiative and members to continue engagement by attending the forthcoming seminar on <i>Future Jobs 2020</i> to which they are invited. 	No action
<p>98.6 Communications Schedule & Work Programme</p> <ul style="list-style-type: none"> ▪ MB informed the Council that as per the NCC terms of reference, three members will retire from office this year. Secretariat will be in touch with those members. 	No action

<ul style="list-style-type: none"> ▪ The Chair to deliver several presentations in coming months to raise awareness of the NCC research and advocate for its recommendations. 	
<p>95.7 AOB</p> <ul style="list-style-type: none"> ▪ MB informed the members of the dates for 2020 NCC meetings – Feb 20, April 23, 23 July and 15 Oct 2020. ▪ The February meeting will be an afternoon session and will be followed by dinner. 	<p>The Secretariat will email the dates to the members.</p>