

IDA Feedback on Single Market Emergency Instrument

Thank you for the opportunity to put forward IDA client views on the Single Market Emergency Instrument. The advent of the EU Single Market was an important contributing factor to Ireland's economic growth in the 1990's, as the combination of a skilled, educated workforce and access to EU markets proved vital in attracting increased foreign direct investment. To this day, EU membership and access to the EU Single Market is a central component of Ireland's value proposition for FDI.

We are generally supportive of the measures and purpose of this Instrument, especially in light of recent experiences with Brexit, the Covid-19 pandemic, and the crisis in Ukraine. Improved communication and coordination between Member States is important for ensuring the best possible outcomes and that industry is well positioned to respond in times of crisis. However, we have some concerns around unintended consequences of the mechanisms under the frameworks for Single Market vigilance and emergencies.

In order to avoid unintended consequences, which could impact the competitiveness of the European Single Market and Member States, the mechanisms in this Instrument should only be triggered in rare and extreme circumstances and operated as smoothly as possible.

The definition of what constitutes a crisis should be defined to refer to 'Force Majeure' issues. If the definition of a crisis is too broad, the mechanisms of the emergency instrument could effectively be permanently triggered.

In relation to information sharing and the monitoring of supply chains and reserves, our main concerns are around confidentiality, data security, and the level of potential bureaucracy.

- It is important to ensure that from the start the process is robust, streamlined and has the minimum amount of bureaucracy, and that data is secure.
- In light of this, it may be worth considering taking an aggregate and centralised approach to data collection. This would support the capturing of data from across all industry and reduce bureaucracy of individual countries requesting information from individual companies.

In terms of the framework mechanisms for Single Market vigilance and emergencies, we need to be very careful of unintended consequences around global competitiveness and planning disruptions to industry.

- The European solution must work within global supply chains and interdependencies and ensure that we do not make planning difficult for industry.
- Priority orders and joint procurement have the potential to be disruptive for planning with the unintended consequence of slowing down production and/or procurement.

The strength and responsiveness of the EU Single Market is of great importance to IDA Ireland's client companies and Ireland's overall value proposition for foreign direct investment. As such, IDA clients are generally supportive of the proposed Emergency Instrument as long as appropriate consideration is given to its implementation and the avoidance of potential unintended consequences.