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# ACTION PLAN FOR JOBS

2017





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# Foreword by An Taoiseach



**Enda Kenny, T.D.**  
*Taoiseach*

Welcome to the Government's Action Plan for Jobs 2017.

This has been a hugely successful process from its inception in 2012, when the Government began a new approach to supporting job creation in Ireland.

The Action Plan process we put in place then – identifying actions and making Ministers and Departments responsible and accountable for delivering them in full and on time – helped the country to deal with the very serious employment crisis we faced at the time. It proved itself to be enormously effective.

Five years ago unemployment was above 15%. It is now 7.2%, the lowest it has been since 2008. There are now nearly 190,000 people more in employment than when the first Action Plan was launched, with all that this means for Irish families and communities.

This new Action Plan is being launched in a new context, and it is shaped to respond to new challenges and to take advantage of new opportunities.

It builds on the successes that have been achieved under previous iterations, and continues to take a whole-of-Government approach.

But it takes account of new realities, not least the decision of the United Kingdom to leave the European Union.

Whatever the outcome of the complex negotiations that lie ahead, it is vital that we take the steps now as a country to ensure that we are ready. The Government has already taken a number of important initiatives, including in bolstering the capacity of our enterprise agencies to drive exports and support investment.

This Action Plan for Jobs advances this vital work further.

It contains within it specific measures to support enterprises, particularly those most dependent on UK markets, to identify and target new markets. It looks to help Irish businesses expand and scale. It will help position Ireland to benefit from new opportunities that arise.

A new trade and investment strategy will be brought forward, supported by an extensive programme of Ministerial-led trade missions, as part of a major drive towards market diversification.

We will maintain our strong focus on the regions. The eight Regional Action Plans for Jobs are now embedded across the country and are good examples of where local authorities, the Local Enterprise Offices and businesses working together to tackle regional issues. In taking this important work forward, a focus on areas along the border will be a particular priority.

Of course, the best way to prepare the country to meet the wider challenges from an uncertain external environment is to ensure that our economy remains sustainable, competitive and resilient.

That means continuing our focus on issues such as competitiveness, including costs, skills, innovation, entrepreneurship, making the most of new digital opportunities and ensuring finance is available in the economy to support and underpin growth.

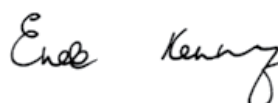
In a fast-moving world there can be no standing still.

It is vital that we remain vigilant to external changes with potentially significant implications for our economic well-being, and active, flexible and dynamic in anticipating and responding to them.

The Government will, therefore, keep under review the medium-term responses necessary to maximise the resilience and sustainability of our economy and our enterprises to ensure that we can deliver the strong economy and fair society that the Government promised when it took office last year.

Finally let me praise the ambition and the effort of our indigenous enterprise sector, especially our SMEs, and of our multinational workforce who have played such an enormous role in improving our country's economic situation in recent years, creating and sustaining so many jobs.

My colleagues in Government and I are determined that the momentum we have created together over the past six years will be sustained.



Enda Kenny, T.D.

Taoiseach

January 2017

# Foreword by the Minister for Jobs, Enterprise and Innovation



**Mary Mitchell O'Connor, T.D.**  
*Minister for Jobs, Enterprise  
and Innovation*

The Irish economy has come through an extraordinary period over the last ten years. Our enterprise base is more competitive, export oriented and more innovative than ten years ago when economic growth was driven by debt-fuelled consumption and the construction sector.

Our enterprises are developing products, services and solutions that are in demand in markets right across the world. We have halved the unemployment rate to 7.2% at the end of 2016. Jobs are being created by enterprises in every region and every sector in the country. We have demonstrated our resilience and our capacity to respond to challenges that confront us as a country.

This resolve and whole-of-Government approach which has characterised our success to date in transforming the economy is now needed more than ever if we are to tackle the significant changes underway in the global economy. If we are to successfully deal with the impact of Brexit and changes in the EU and in the wider global trading and investment environment, we need to redouble our efforts to ensure we have a robust and pro-business policy mix that supports investment, entrepreneurship, growth and jobs.

This Action Plan for Jobs is the first opportunity to set out a whole-of-Government response to the volatility in the international trading environment that reinforces the foundations for achieving sustainable long term growth and full employment in the face of such challenges.

We have added an average of 40,000 jobs per annum over the last five years. We want to support the creation of up to 45,000 additional jobs in 2017. For those who are unemployed, landing a job is a life-changing experience. Jobs also sustain the business life and identity of our towns, villages and regions.

In the context of Brexit, we will place a specific focus on sustaining the jobs that have been created. We will support firms to diversify their trading footprint, entering new markets and growing international sales in the Euro Area, in the US and in high-growth and emerging markets.

Enterprise Ireland, through one-on-one engagement with each client company, will ensure that our indigenous base 'Brexit-proof' their businesses and adapt their business models accordingly. We are committing to growing non-UK trade by over 50% by 2020.

There is no one single solution to how Brexit will affect the Irish economy as it remains a fluid situation. Focusing on productivity and innovation represents the best strategic focus for now. As new challenges emerge through the negotiations, we will respond with cogent, targeted strategies.

The Government is placing specific focus in 2017 on strengthening the rural and regional economy. As Minister, I want two of every three jobs created in the regions. I will shortly announce a competitive call for innovative proposals to boost regional growth, with funding of up to €60 million.

Maximising the retail potential of our town centres is vital and we are committed to developing a template for retail development in our towns. While jobs are growing in every region, matching jobs growth with retail growth is imperative to developing business life in towns and developing a sense of recovery – which I acknowledge is still lacking in many areas.

We also want to ensure that all sections of the workforce contribute to their full potential and as Minister, I am placing an emphasis on female participation and female entrepreneurship in particular.

We are focusing on the over-50s in the labour market through a combination of measures, including a new draft Code of Practice to set out best industrial relations practice in managing the engagement between employers and employees in the run up to retirement, a major conference on the new world of work and measures to support senior entrepreneurship.

I am also focusing on new opportunities arising from the digitalisation of the economy and society. The successful transition to a digital economy is essential for boosting a more inclusive and sustainable growth and enhancing overall wellbeing. Many of our children in education today will end up securing employment on new platforms such as the sharing economy or the digital economy.

We will harness the creativity of our citizens to address these challenges and opportunities. Creativity and our strength in design can give us a competitive advantage in all sectors of the economy from manufacturing to retail. Creativity drives entrepreneurship and innovation and attracts investment, and will be the basis for differentiating our products and services internationally.

Securing full employment and retaining jobs in the face of global uncertainty will be challenging. I will continue to work hard with my Ministerial colleagues Breen and Halligan to secure employment and retain jobs in the face of global uncertainty. While I recognise the challenges that lie ahead, now is the time to dig deep and, with ambition, commitment and hard work, create the most competitive environment for enterprise and entrepreneurship to flourish and succeed so that we can achieve our goal of full, sustainable employment for all.



Mary Mitchell O'Connor, T.D.

Minister for Jobs, Enterprise and Innovation

January 2017

# Executive Summary

## Progress

In 2012 we commenced the process of restructuring and transforming the economy to support sustainable and quality employment that can improve the standards of living of the people of Ireland over the period to 2020. We set an objective to deliver 100,000 jobs by the end of 2016. We delivered and exceeded that ambition, with almost 190,000 additional people at work since we launched the first Action Plan for Jobs in early 2012.

2016 marked the transition to the implementation of key Government policies for medium term growth. **Enterprise 2025** sets out our ten year jobs and enterprise strategy. **Innovation 2020** sets out our five year strategy for research and development, science and technology, including a roadmap to deliver on the vision for Ireland to become a global innovation leader by focusing on excellence, talent and impact. The new **National Skills Strategy 2025** published in early 2016, sets out a vision for the period up to 2025 of how Ireland can develop relevant skills and ensure that our supply of skills is activated and effectively used. We are also implementing eight **Regional Action Plans for Jobs**, a collaborative approach between public sector bodies and relevant private sector actors within each region, building on existing strengths and assets and identifying opportunities to ensure employment growth of 10 – 15 per cent in each region.

**Creative Ireland** is our new five year cross-Government initiative, which will run from 2017 to 2022 (building up to the centenary of the Irish Free State). It is a high level, high ambition, all-of-Government initiative designed to mainstream creativity in the life of the nation so that individually and collectively, Irish people at home and abroad, can realise their full creative potential.

The relentless focus on restructuring the economy to a high productivity, self-sustaining enterprise and export-led economy has yielded results and as of Q3 2016 we are well on course to achieve our annual employment target. But we are not complacent. While employment continues to grow strongly, our overall goal is to achieve full and fair employment. The **Programme for a Partnership Government** sets a target to increase the number at work by 200,000 by 2020, including 135,000 jobs outside of Dublin. While strong jobs growth over recent quarters might suggest that this target is achievable there are several risks within the global trading environment that could slow this momentum.

## Responding to Challenges in the International Trading Environment

While the global economy has been in a low-growth trap over the last five years, Ireland's internationally traded sector has helped to drive our solid growth rates. However, there are now risks that may have significant impact on the traded sector and that have already heightened levels of uncertainty nationally and internationally. These include the future scope of the UK's trade relationships with the rest of the EU, including Ireland, post Brexit; developments in international tax policy that could impact on Ireland's attractiveness for investment relative to other jurisdictions; and waning support internationally for free trade which could negatively impact global growth.

As a small open economy Ireland is exposed to fluctuations in the global economy. We need to build economic resilience, so as to strengthen our ability to absorb, adjust and respond to severe shocks and to achieve sustainable full employment.



The UK's decision to leave the EU presents major challenges for Ireland, given the potential implications for Northern Ireland and North-South relations, our strong economic ties with Britain, and our common positions on so many issues at EU level. Since the UK referendum, we have responded swiftly to ready ourselves to deliver a Brexit strategy that protects and advances this country's interests by achieving the best possible outcome from the Brexit negotiations.

The following commitments will help us to prepare for whatever the outcome of the UK's negotiations on its future trading relationship with the EU and any other international developments:

1. We remain a strong and committed member of the EU. We continue to benefit through the common predictable laws and regulations that enable Irish people and enterprises to operate throughout the EU, and globally through the EU's suite of international agreements;
2. The continued adherence to prudent fiscal and economic policies is a central element of the overall approach to Brexit. In addition, the "rainy day" fund that we will commence in 2019 will provide an initial shock absorption capacity if needed following Brexit, or other economic shocks;
3. We also announced a new domestic target for a debt to GDP ratio of 45 per cent to be reached by the mid-2020s or thereafter, depending on economic conditions, to provide an additional buffer in view of the particular risks that Ireland, as a small and very open economy, faces;
4. We will undertake a progress review of our long term enterprise policy, *Enterprise 2025*, which remains relevant in terms of its focus on building the resilience of the enterprise base, export-led growth and job creation. We will assess performance and outlook for the targets and measures set out and identify additional actions or changes necessary in light of recent global challenges. The review will inform all relevant elements of policy including national competitiveness as well as sectoral priorities such as the National Planning Framework and our approach to infrastructure development and rollout; and
5. We are currently identifying negotiation and policy priorities assisted by a process of stakeholder dialogue across economic sectors. This will ensure we are well placed to respond effectively to the potential challenges and opportunities of a changed future UK relationship with the EU.

However, we know that some firms are already being impacted by the decision of the UK to leave the EU and we therefore have responded immediately to address this:

6. Budget 2017 contains several measures designed to ensure that enterprise in Ireland – especially those in the SME sector – are prepared for a potentially more difficult trading environment. This includes tailoring the wide range of State supports currently available such as low cost credit and increased credit supply from the Strategic Banking Corporation of Ireland; funding for growth and efficiency from Enterprise Ireland; and financing from Microfinance Ireland for micro enterprises affected by Brexit;
7. We are also retaining the reduced nine per cent VAT rate for the hospitality sector;
8. We are narrowing the tax differential between the self-employed and those in the PAYE system;
9. We are committing ourselves to the introduction of an SME-focused share-based incentive scheme;
10. We are providing a lower 10 per cent level of capital gains tax for entrepreneurs on disposals of qualifying assets up to a lifetime limit of €1 million;
11. We are introducing an income averaging "step-out" in the agriculture sector;
12. We have allocated additional resources in a number of areas, including an additional €3 million to Enterprise Ireland and IDA Ireland to provide greater representation in target markets to help Irish businesses export more and to attract in new investment;
13. Among the initial initiatives undertaken to support the agri-food sector are an additional €750,000 of funding for Bord Bia for marketing services for SMEs;

14. We are developing and implementing an enhanced programme of Ministerial-led trade missions and other trade, tourism, investment and education events focused on key target markets, and growing existing and new markets; and
15. We will develop a programme of initiatives to increase the awareness and capacity of SMEs to deal with the practical consequences of Brexit for cross border trade.

We will address the short to medium term challenges presented and will focus on reducing our exposure in key markets and sectors:

16. Through our new trading strategy we will diversify the markets we trade with by sustaining and embedding our exports in the UK, growing our share of exports in existing markets such as Europe and North America; and expanding our footprint in new and emerging markets;
17. Broadening and adding value to the range of services and exports from Ireland through our investments in research and innovation;
18. We will support the competitiveness of firms through our supports around skills development, productivity, market diversification, management development and innovation;
19. We will maximise opportunities presented by ongoing global developments in areas such as International Financial Services; and
20. We will raise awareness of new enterprise opportunities arising from the EU's international trade and investment agreements, including improved market access, broader supply channels, greater predictability in the trading environment, and less red tape.

Action Plan for Jobs 2017 responds to the immediate challenges of the UK's decision to leave the EU and also captures the Government's response to a more volatile and changing external environment by strengthening the resilience and agility of our enterprise base.

## Strategic Goals

As we enter with EU colleagues the negotiations on Brexit and seek to respond to other changes in the global trading and investment environment, it is imperative we redouble our efforts to get the fundamentals right for a resilient enterprise economy. The challenge for small open economies such as Ireland is to remain agile and responsive.

Our strength and depth in sectors, our skills and talent base, our burgeoning innovation system, and our improved competitiveness and fiscal discipline have helped to reduce the unemployment rate from 15.2 per cent in early 2012 to 7.2 per cent in December 2016. However, we need to continue to invest to develop our resilience for the future.

This 2017 Action Plan for Jobs is about stepping up how we deal with major structural issues. We will focus the Action Plan process on the more medium-term challenges for Irish enterprise and have reflected this in the revised strategic goals:

1. Add 200,000 jobs by 2020, including 135,000 outside Dublin;
2. Deliver strong competitive regions to drive regional employment;
3. Grow trade and investment in existing markets and diversify into new markets;
4. Become a global innovation leader to grow and diversify the composition of our exports;
5. Achieve a top 5 global competitiveness ranking;
6. Drive productivity across all sectors of the economy; and
7. Develop and attract high quality talent.

Our jobs target for 2017 is to have up to 45,000 additional people at work by the end of the year.

## Key Actions to Deliver on the Strategic Goals:

### Responding to Brexit:

To mitigate against the impact of the UK's decision to leave the EU, we have allocated additional resources in a number of areas, including an additional €3 million to Enterprise Ireland and IDA Ireland to provide greater representation in target markets to help Irish businesses export more and to attract in new investment.

During 2017, we will provide additional market expertise to support companies dependent on the UK market, including additional staffing in Dublin and in the UK, to sustain existing market share and drive growth. We will also work with those companies most exposed to Brexit to develop growth plans to diversify their exports to other geographies, particularly in the Eurozone, Northern Europe and US and Canada. An expanded programme of trade and investment missions, events and study visits will be run in 2017, and funding will be provided for the development of a programme of initiatives to increase the awareness and capacity of SMEs to deal with the practical consequences of Brexit for cross border trade.

We will maximise investment opportunities arising from Brexit in the context of the Government's International Financial Services (IFS) Strategy and we will develop Ireland as an attractive location for mobile, globally renowned researchers, including UK based researchers, using and adapting Science Foundation Ireland programmes such as Research Professorship, Future Research Leaders, Investigators Programme, and European Research Council support schemes.

### Enterprise Agency Targets:

In 2016, Enterprise Ireland and IDA Ireland supported almost 21,000 net new jobs and a combined total of over 400,000 jobs. Local Enterprise Offices have also supported over 10,000 net new jobs over the last three years.

The challenge in 2017 will be maintaining the pace of employment growth in agency supported companies in light of emerging threats and achieving the Enterprise 2025 target to add 74,000 net new jobs between 2015 and 2020. IDA Ireland will deliver on its targets to boost foreign direct investment by 40 per cent and bring total direct employment in overseas companies to 209,000 by 2019. IDA Ireland will target 7,000 net new jobs and 180 new investments in 2017. Enterprise Ireland will roll out its new strategy to deliver 60,000 new jobs and increase exports to €26 billion by 2020. Its 2017 targets include growing its client company exports to €23 billion and delivering 15,000 gross new jobs.

### Growing and Scaling Enterprise:

Through the implementation of the new Enterprise Ireland strategy 2017-2020, we will support companies to build scale and enhance their global reach through improved competitiveness, innovation and market diversification. In 2017, Enterprise Ireland will support 250 large scale investments, provide leadership and management development programmes to 650 managers and mentoring programmes for 300 companies, support its clients to secure an extra 1,000 international sales contracts, and provide direct company equity and grant funding. We will strengthen our entrepreneurship ecosystem and establish Ireland as a leading start-up location for internationally mobile entrepreneurs. Enterprise Ireland will provide business developmental and financial supports to 180 high potential and early stage start-ups (HPSUs) in 2017.

### Diversifying Trade:

We will ensure that Ireland achieves the greatest possible benefit from trade agreements in new sectors such as environmental goods, services and investment and realises new enterprise opportunities arising from the EU's international trade and investment agreements, including improved market access, broader supply channels, greater predictability in the trading environment, and less red tape.

### Ensuring Finance for Growth:

We will ensure that viable SMEs have access to appropriate finance at a reasonable cost from both bank and non-bank sources and we will aim to increase the number of SMEs which have access to, and use of, mainstream financial services and products. To December 2016, the Strategic Banking Corporation of Ireland (SBCI) has committed a total of €906 million to its eight on-lending partners. In 2017, the SBCI will continue to source additional funding to add to the current funding capacity of over €1 billion. This will enable it to make further low cost loans available to Irish SMEs across all qualifying sectors. We will roll out an Export Finance Initiative to support Irish exporting SMEs. The pilot will run for an initial period of one year and its uptake and effectiveness will be assessed. In 2017, the Ireland Strategic Investment Fund (ISIF) will also actively seek out and pursue investment opportunities that increase the supply of finance to SMEs.

### Delivering Skills for a Growing Economy:

We will progress the actions and recommendations of the *National Skills Strategy 2025*. The Regional Skills Fora now provide a single point of contact in each region to facilitate employers engaging with the relevant range of services and supports. We will strengthen the apprenticeship and training systems to provide 4,947 apprenticeship registrations and 2,600 traineeship places. We will deliver skills in key areas such as ICT, bio-pharma, life sciences and med tech through the Skillnets model and launch ICT skills conversion courses under Springboard+ 2017. We will implement the Foreign Languages in Education Strategy and the New Systems Performance Framework for Higher Education will include indicators and targets to drive the provision of a diversity of languages. We will scale up the Smart Futures initiative to promote career opportunities in STEM, further strengthening the pipeline of skills.

### Promoting Innovation:

The **Innovation** chapter sets out actions that will be taken in 2017 to achieve the national ambition of becoming a Global Innovation Leader. This includes supporting 850 enterprise-led collaborative projects; achieving €600 million in RDI investment annually by foreign owned enterprises; supporting 100 significant RDI projects through Enterprise Ireland; rolling out five Small Business Innovation Research (SBIR) collaborative projects; developing a new financial support aimed at assisting SMEs to build IP Management capability; 50 engagements between Health Innovation Hub Ireland and companies to provide access to the health system and support the testing and validation of 30 industry products and services; securing €150 million in 2017 from Horizon 2020; and under Knowledge Transfer Ireland achieving the targets of 155 commercially relevant technologies, over 25 spinouts and eight spinouts to progress to High Potential Start-Ups.

### Stimulating Regional Growth:

We will implement the **Regional Action Plan for Jobs** and provide up to €60 million in competitive funding over the period to 2020 to support collaborative initiatives. We will also implement the **Action Plan for Rural Development** and will deliver the 2014-2020 EU LEADER Programme which has a total budget of €250 million and the Town and Village Renewal Scheme. We will place a specific focus on improving collaboration in the Border region to respond to Brexit. We will promote the development of a network of eHubs throughout the regions that will have advanced broadband connectivity to support eWorking, entrepreneurship and small business growth, developed through local enterprise initiatives, the local authorities, the LEOs and the enterprise development agencies.

## Maintaining and Improving Competitiveness:

To improve competitiveness we will reduce the administrative burden by bringing all Government services online by November 2017 and we will develop an SME test to ensure that policymakers “Think Small First” when considering new proposals that will have an impact on enterprise. We will maintain our focus on enhancing cost competitiveness. We will implement the **Cost of Motor Insurance Action Plan**, and **Rebuilding Ireland - Action Plan for Housing and Homelessness** to improve housing supply. We will support the uptake of workplace innovation, especially among SMEs, to boost productivity, innovation and firm level collaboration. There are actions that focus on the opportunities arising from the digital economy for all sectors of the economy and we outline a whole of Government approach to realising those. We will also roll out another 1,000 Trading Online Vouchers. We will ensure that any economic opportunities that arise in the transition to a low carbon economy are fully exploited.

## Addressing New Labour Market Challenges:

The APJ complements **Pathways to Work** and there are actions to ensure that the number of people on the Live Register is reduced as the economy recovers and the labour market responds flexibly and efficiently to employment growth. The introduction of the new **Single Affordable Childcare Scheme** will provide a single, streamlined and more user-friendly scheme, as part of a package to enhance the provision of quality and affordable childcare, which will support increased labour market participation.

We will support older people who want to find a job through a combination of measures including activation services for those most distant from the labour market; a training initiative to support women returning to work; and helping them to start and run their own business.

We will also bring together key stakeholders in the first half of the year to address the challenges posed by the new world of work, particularly in light of rapid technological advances.

We will promote employment of people with disabilities, with a particular focus on stemming flows into economic inactivity both from school leavers and from those experiencing the onset of a disability in the course of working life. We will continue to implement the 2015-2017 action plan to deliver on the objectives of the **Comprehensive Employment Strategy for People with Disabilities**, including the target to progressively increase the statutory target of three per cent of employees with disabilities in the public sector from 3.5 per cent currently towards six per cent by 2024.

## Strengthening Clusters:

We will implement **Food Wise 2025**, our ten year strategy for the agri-food sector. We will implement the Tourism Policy Statement, **People, Place and Policy – Growing Tourism to 2025**, the primary focus of which is on growing overseas tourism revenue and employment. Through the Retail Consultation Forum, we will work on initiatives to address the key concerns of the **retail** sector, including a continued focus on the opportunities presented by the digital economy, town centre renewal and identifying how to address skills issues for the sector. We will maximise the potential of **design** to drive innovation and competitiveness through the development of a national design strategy and a national Design4Growth scheme. We will implement the **IFS 2020 Strategy Action Plan 2017**. The *IFS2020* strategy sets an ambitious target to grow the number of people directly employed in the IFS sector to 45,000 by 2020. We are firmly committed to the delivery of increased housing supply in 2017 through the implementation of **Rebuilding Ireland – Action Plan for Housing and Homelessness**. A budget of €1.2 billion has been allocated to housing programmes for 2017.

## Conclusion

Building a strong economy that delivers sustainable full employment is not an easy task in light of increasing global uncertainty, particularly in the global trading environment. We must intensify our efforts to enhance and improve competitiveness and build resilience across all sectors of the economy. We must focus on structural reforms which improve productivity across the economy, including increasing efficiencies, and reducing unnecessary administrative burdens. We must continue to develop, nurture and attract world class talent and drive investment in innovation to sustain a competitive advantage, particularly in key sectors.

Delivering sustainable employment and economic growth requires us to look beyond the immediate challenges and focus on our medium term objectives. Through the Action Plan for Jobs, we will deliver actions to help achieve our medium term goals and ensure a resilient and robust economy.



**1**

**Delivering  
Sustainable  
Full  
Employment**



## 1.1 Performance Assessment Framework

The Action Plan for Jobs, which was introduced in 2012, is one of the Government's key instruments to support job creation. The OECD in its 2014 review of the APJ process commended the introduction of a coordination mechanism that ensures high-level political buy-in and oversight, whole-of-government engagement and the establishment of quarterly targets underpinned by a robust monitoring system.

Following the OECD review a performance assessment framework was introduced to link actions more clearly to the high level strategic goals. This section sets out those strategic goals and the specific objectives under each of those goals. It also provides an outline of performance to date.





# Employment

**GOAL:**  
**+200,000**  
 jobs by 2020, including  
**135,000**  
 outside Dublin

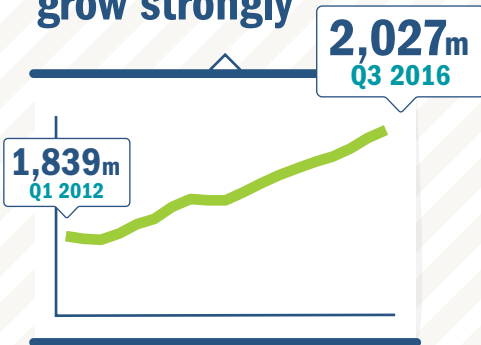
## OBJECTIVES:

- Deliver on the Programme for a Partnership Government target to increase the number at work by 200,000 by 2020, including 135,000 jobs outside of Dublin.
- Add up to 45,000 new jobs during 2017.
- Reduce the national unemployment rate to 6% by 2020.

## PROGRESS TO DATE:

- Almost 190,000 more people are at work (as of Q3 2016) since the first APJ was launched in Q1 2012 – surpassing the original target of an additional 100,000 jobs by 2016.
- In the first three quarters of 2016, 48,500 new jobs were created – the target for the year was 50,000.
- Total employment in the State increased to 2,027,100 in Q3 2016.
- Employment growth is spread across regions and sectors.
- The unemployment rate was 7.2% in December 2016, down from a high of 15.2% in early 2012. The total number of people unemployed in December 2016 was 157,700.
- The long term unemployment rate also declined year on year – from 5% in Q3 2015 to 4.2% in Q3 2016. In Q1 2012, the long term unemployment rate was 9.5%.

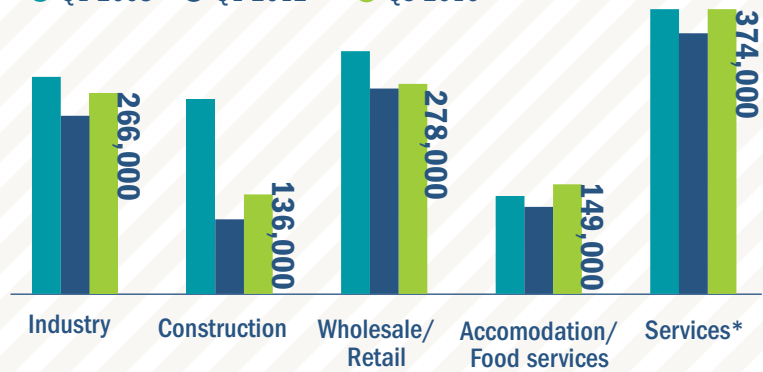
Employment continues to grow strongly



Seasonally adjusted data, Source: CSO

## Sectoral Employment Performance

● Q1 2008 ● Q1 2012 ● Q3 2016



Note \* incl. information and communication; financial, insurance and real estate; professional, scientific and technical; and administrative and support service activities.  
Seasonally adjusted data, Source: CSO

Almost

# 190,000

more at work since Q1 2012

2,160m  
PEAK  
2008

1,839m  
2012

2,027m  
2016

2,179m  
2020 target

Seasonally adjusted data, Q3 2016, Source: CSO

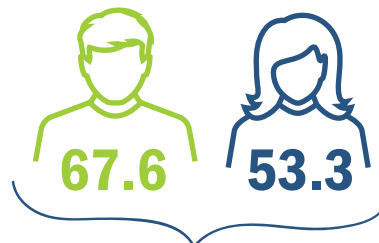
More than

# 3/4

of people who work part-time do so by choice

Seasonally unadjusted data, Source: CSO

## Participation rate - Q3 2016

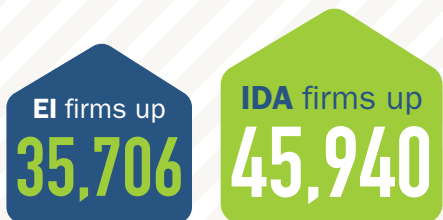


Total **60.3**

Seasonally adjusted data, Source: CSO

## Direct employment

2011-2016



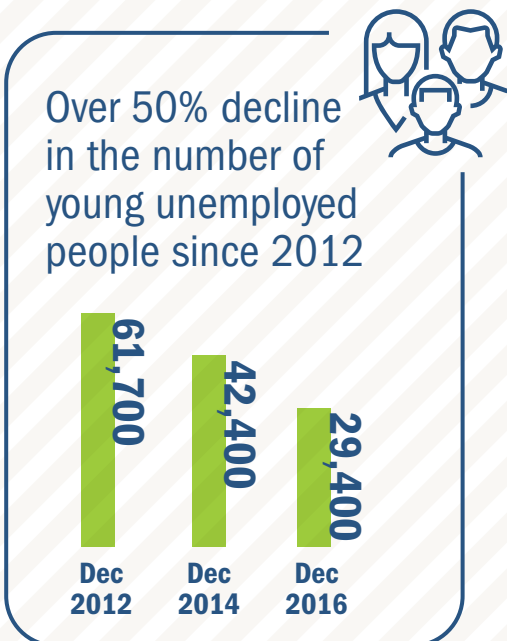
**+ 46,618**  
indirect jobs

**+ 32,158**  
indirect jobs

Source: DJEI

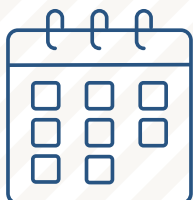


Seasonally adjusted data, Source: CSO



Seasonally adjusted data, Source: CSO

## Long term unemployment down to



**92,300** in Q3 2016  
From over **200,000** in Q1 2012

Seasonally unadjusted data, Source: CSO

# Regions

## GOAL:

Strong Competitive  
**REGIONS**  
to drive regional  
employment

## OBJECTIVES:

- Deliver on the Programme for a Partnership Government target to increase the number at work by 135,000 outside of Dublin by 2020.
- Have a further 10% to 15% at work in each region by 2020.
- Ensure the unemployment rate is within 1% of the State average.
- Achieve the IDA target to increase the number of investments by 30%-40% on previous targets, in each region outside Dublin over the period 2015-2019.
- Deliver on the target to have 60% of new jobs created by EI clients outside of Dublin in 2017.

## PROGRESS TO DATE:

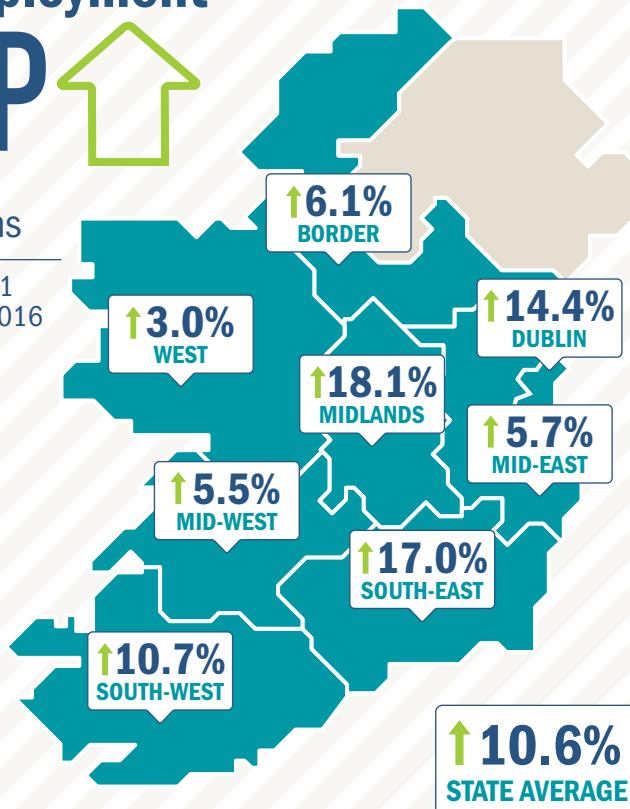
- Employment has grown in all eight regions since Q1 2012.
- 63% of all new jobs created in the period Q3 2012 to Q3 2016 were outside of Dublin.
- In the year to Q3 2016, the fastest growing regions in terms of employment were the South West (up 4.4%), the South East (up 3.7%) and the Mid-East (up 3.6%). Annual growth nationally was 2.9% while employment grew by 3% outside of Dublin.
- The unemployment rate fell in all regions in the year to Q3 2016 – the State average was 8%. The unemployment rate in each region was:
  - South-West – 6.4%
  - Mid-East – 6.9%
  - Mid-West – 7.4%
  - Dublin – 7.5%
  - West – 9.1%
  - Border – 9.2%
  - Midlands – 10.1%
  - South East – 10.4%

## Employment

# UP

in all regions

Q3 2011 to Q3 2016



Source: CSO



## 8 Regional Action Plans for Jobs

# 52%

of new jobs by IDA firms in 2016 were **outside Dublin**

IDA target:

# 30-40%

more investments in each region outside Dublin between 2015 -2019

# 61%

of new jobs by EI firms in 2016 were **outside Dublin**

EI target:

# 60%

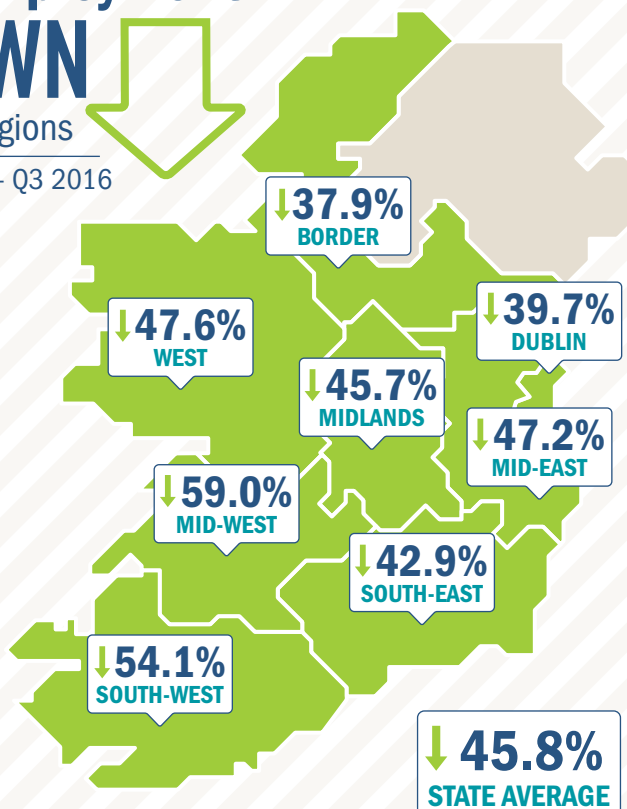
of new jobs created by EI clients to be outside of Dublin in 2017

## Unemployment

# DOWN

in all regions

Q3 2011 - Q3 2016



Source: CSO



## FIRST-STOP SHOP

for new and expanding enterprises



# 31

Local Enterprise Offices

Supporting

# 32,000+

jobs (2015)

## 9 REGIONAL SKILLS FORA

fostering stronger links between employers and the education/training sector



# Exports

**GOAL:**  
**GROW TRADE  
& INVESTMENT**  
in existing markets and  
**DIVERSIFY**  
into new markets

## OBJECTIVES:

- Grow our share of total global trade.
- Grow our exports in existing markets.
- Diversify our exports into new and high growth markets.
- Increase exports by Enterprise Ireland firms to €26 billion by 2020, with 67% outside the UK.

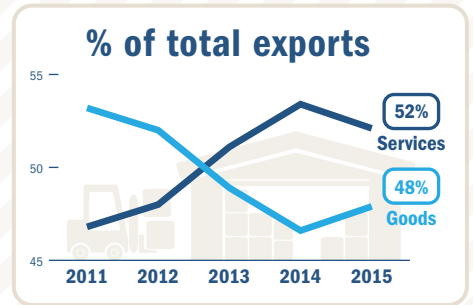
## PROGRESS TO DATE:

- Driving export-led growth has been a core objective of the APJ since 2012. Exports of goods and services increased from €175 billion in 2011 to €234 billion in 2015 (up 34%). Since 2013, services exports exceed goods exports. Services exports increased by 49% to €122 billion while goods exports increased by 21% over the period 2011-2015 and by a further 5% in the first 11 months of 2016.
- Ireland's share of global trade has increased from 1.05% in 2011 to 1.17% in 2015.
- Exports by Enterprise Ireland supported firms increased from €15.2 billion in 2011 to €20.6 billion in 2015 – an increase of 35.6%.
- Enterprise Ireland supported firms have become more export focused, with their share of sales arising from exports increasing from 46% to 52% over the period.

# IRISH EXPORTS INCREASE BY OVER A THIRD BETWEEN 2011 AND 2015



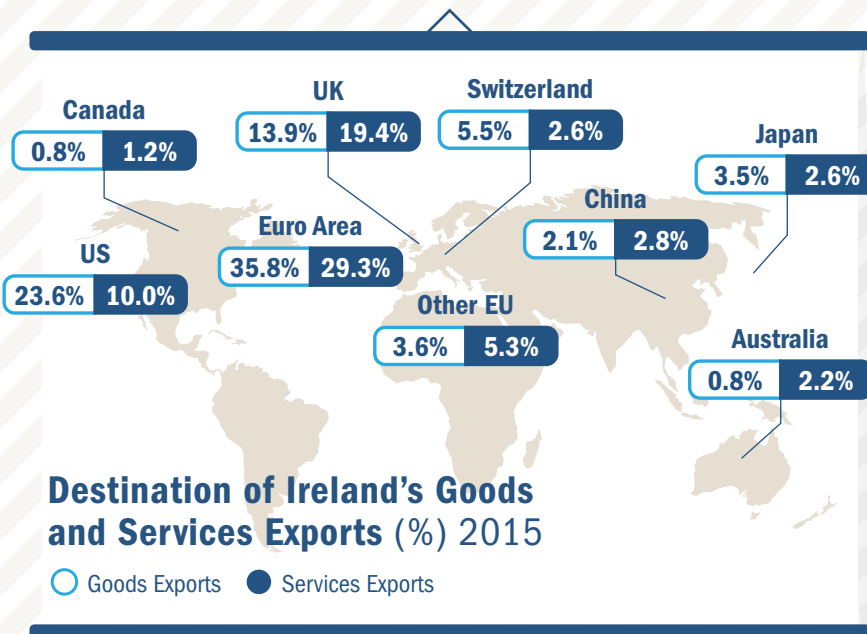
Source: CSO



Source: CSO

**RECORD EXPORTS**  
by EI-supported firms

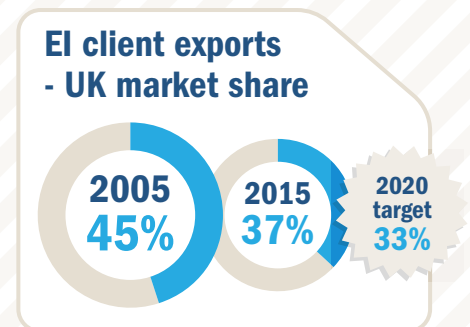
Source: DJEI



Destination of Ireland's Goods and Services Exports (%) 2015

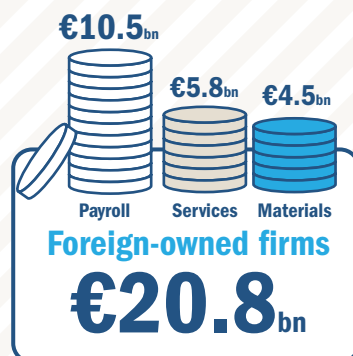
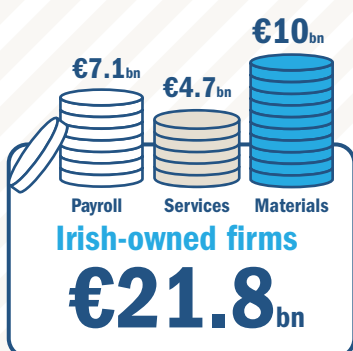
○ Goods Exports ● Services Exports

Source: CSO



Source: DJEI

## SPEND IN THE IRISH ECONOMY by agency supported firms in 2015



Source: DJEI

**8.6m**  
OVERSEAS VISITORS  
2015



Source: DTTAS, CSO

# Innovation

**GOAL:**  
Become a **GLOBAL  
INNOVATION  
LEADER**  
to grow and diversify  
the composition of our  
exports

## OBJECTIVES:

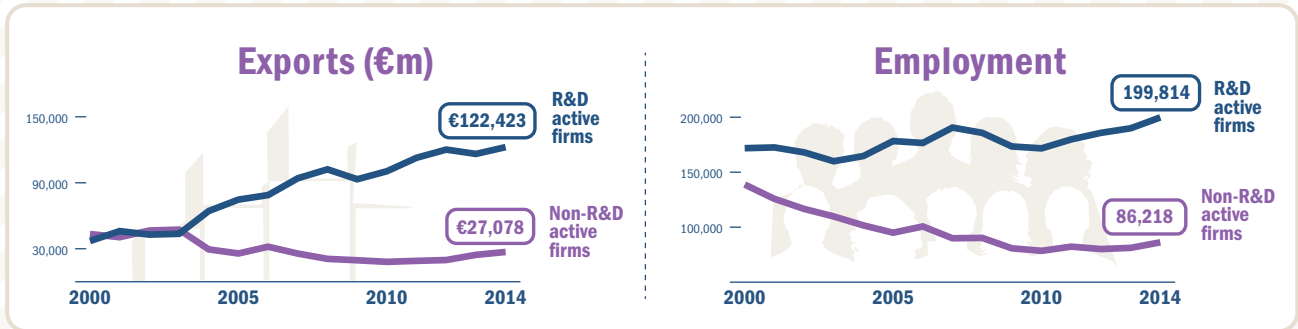
The Innovation objectives are set out in Innovation 2020 which aims to make Ireland a global innovation leader by:

- Increasing Ireland's RDI intensity to 2.5% of GNP by 2020 from a current performance estimate of 1.6% in 2015.
- Increasing the number of significant R&D performers (over €100,000) by 15% to 1,200, and the number of large performers (over €2 million) by 18% to 200 by 2020.
- Securing €1.25 billion from Horizon 2020 funding between 2014 and 2020.

## PROGRESS TO DATE:

- Ireland has made significant progress in the past decade building up research capacity and increasing the base of RDI active enterprises. Ireland continues to improve in the international innovation rankings, climbing from 13th in 2011 to 7th place in the 2016 Global Innovation Index, and from 8th place in 2015 to 6th place in 2016 in the European Innovation Scoreboard.
- Both Irish and foreign owned R&D active agency client companies have demonstrated greater resilience in terms of sales, exports and employment, and employment in higher value jobs relative to non-R&D active enterprises since 2009.
- While exports have grown strongly in recent years, the composition and range of goods and services we export have become increasingly concentrated.
- Ireland recorded the second highest success rate in applications to Horizon 2020 during 2015 and has won a total of €337 million in Horizon 2020 funding between 2014 and Q3 2016.





Source: DJEI

## R&D active agency firms more resilient



## HEI-industry collaborative engagements 2006-2014



Source: DJEI

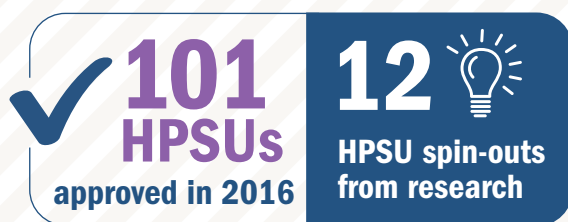
## HORIZON 2020 funding secured

€337 m since 2014



€1.25 bn 2020 target

Source: DJEI



Source: EI



Source: DJEI

# Talent

**GOAL:**  
Develop and attract  
**HIGH  
QUALITY  
TALENT**

## OBJECTIVES:

The objectives under this high level goal are based on the recently published National Skills Strategy 2025 and the Action Plan for Education 2016-2019:

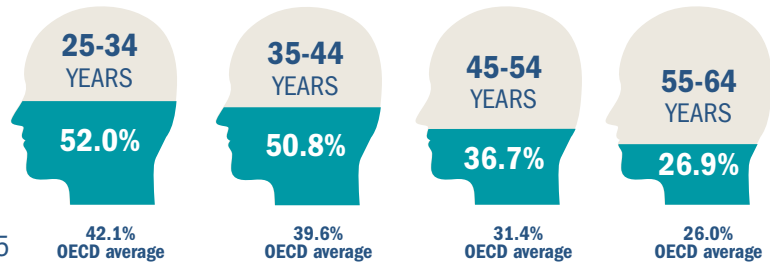
- Increase the share of 30-34 year olds that have completed tertiary education to 60% by 2020 from 52.2% in 2013.
- Increase the domestic supply of ICT graduates to meet demand from 57% to 74% by 2018.
- Strengthen the apprenticeship and traineeship system by achieving 50,000 registrations by 2020.
- Increase the number of students undertaking work placement or work based learning by 25% by 2021.
- Increase the percentage of people engaged in lifelong learning to 10% by 2020 from 6.5% in 2015.
- Double investment in training and upskilling employees from €543 per employee by 2020.

## PROGRESS TO DATE:

- Irish PISA rankings have improved for reading (to 3rd in 2015 of the OECD-34 from 17th in 2009), science (up to 13th from 14th) and maths (up to 13th from 26th). On average Irish students score above the OECD average in all three categories.
- A higher proportion of all age cohorts in Ireland have attained third level education qualifications than the OECD average in 2015 – 52% of 25-34 year olds (OECD average is 42.1%), 50.8% of 35-44 year olds (OECD, 39.6%), 36.7% of 45-54 year olds (OECD, 31.4%) and 26.9% of 55-64 year olds (OECD, 26%).
- In 2012, Ireland ranked first in the Euro area-17 for maths, science and education graduates per 1,000 of the population aged 20-29 due to a steady increase in the number of graduates since 2007.

## THIRD LEVEL QUALIFICATION IN IRELAND

Higher than the **OECD AVERAGE** in 2015

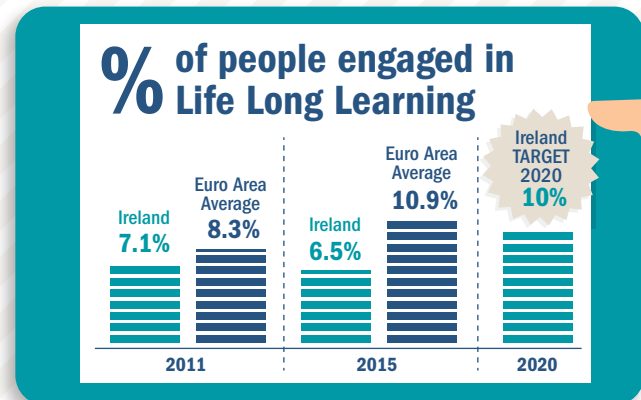
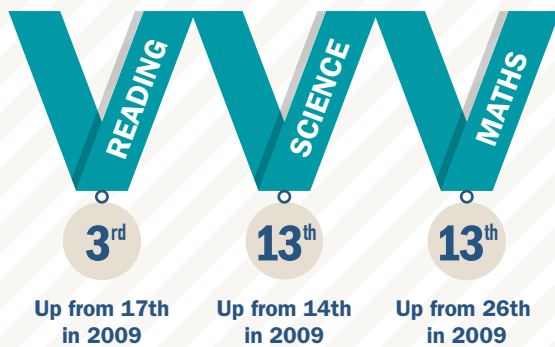


Source: OECD

## Ireland's Pisa Ranking 2015

(out of OECD-34)

Source: OECD



Source: Eurostat

# SPRINGBOARD+ 30,000+

full and part-time places since 2011

**80%**

of participants since 2011 are no longer on the Live Register (July 2016)

Source: DES

APPRENTICESHIP

**4,947**  
PLACES IN 2017

TRAINEESHIPS

**2,600**  
IN 2017

## Programme for a Partnership Government Goals



**100** APPRENTICESHIP AND TRAINEESHIP SCHEMES



Delivering **50,000** registrations between 2016 and 2020



Source: DES

Increase the domestic supply of **ICT GRADUATES** by 2018 from **57%** to **74%**



Source: ICT Skills Action Plan

# Competitiveness

**GOAL:**  
Achieve a  
**TOP 5**  
global  
competitiveness  
ranking

## OBJECTIVES:

- Achieve a top five competitiveness ranking based on the IMD Competitiveness Scorecard by 2020.
- Based on the Harmonised Index of Consumer Prices keep inflation below but close to 2% (EU inflation target).

## PROGRESS TO DATE:

- Ireland's ranking as measured by the IMD's World Competitiveness Yearbook has improved to 7th in 2016 from 24th in 2011. Its ranking in the WEF Global Competitiveness went from 29th in 2011 to 23rd in 2017. Its ranking in the WEF Global Competitiveness Report went from 24th to 23rd over the same period.
- Recent improvements have been supported by favourable exchange rate movements, low oil prices and interest rates. However the National Competitiveness Council cautions that a range of threats risk undermining Ireland's competitiveness, in particular uncertainty in key markets such as the UK and the US.
- Ireland's performance in the World Bank's Doing Business has been mixed. Ireland is now ranked 18th, down from 9th place in 2011. Ireland performs strongly for paying taxes (5th), starting a business (10th) and protecting minority investors (13th).
- The cost base for enterprise has improved in recent years but Ireland remains a relatively high cost location, and the return to growth is already resulting in a series of upward cost pressures (e.g. commercial and residential property, insurance).

# Productivity

**GOAL:**  
Drive  
**PRODUCTIVITY  
GROWTH**  
across all sectors  
of the economy

## OBJECTIVES:

- Increase productivity levels by between 2%-2.5% per annum on average over the period to 2020.

## PROGRESS TO DATE:

- Productivity levels have increased considerably in the past five years with average annual growth of 3.2% in Ireland over the period 2009 - 2014. This compares to average annual growth of 1.3% in the Euro area, 0.7% in the US and 0.5% in the UK over the same period.
- The rate of productivity growth varies across sectors with exporting sectors performing best. In Ireland, labour productivity growth in the decade to 2014 was driven primarily by strong productivity growth in manufacturing, ICT and professional services. The broad agriculture, forestry and fishing sector and the traditional wholesale, retail, accommodation and food services sectors have not experienced similar productivity growth.
- More than three out of four companies participating in Enterprise Ireland's Lean programme have reported improvements in productivity and/or capacity increases.
- Key to increasing productivity across all sectors are driving innovation, supporting enterprise and entrepreneurs, growing exports, enhancing management development skills and effective use of ICT. At firm level innovation in technology, organisation and process is integral to productivity growth.



A significant improvement from **24th** place in 2011

Source: IMD Competitiveness Yearbook 2016

**Irish Workforce**  
**1st** in the world  
for **flexibility**  
**adaptability**

Source: IMD Competitiveness Yearbook 2016

**8th** on the  
**EU Digital Economy and Society Index**

Source: European Commission

Ease of **STARTING A BUSINESS**

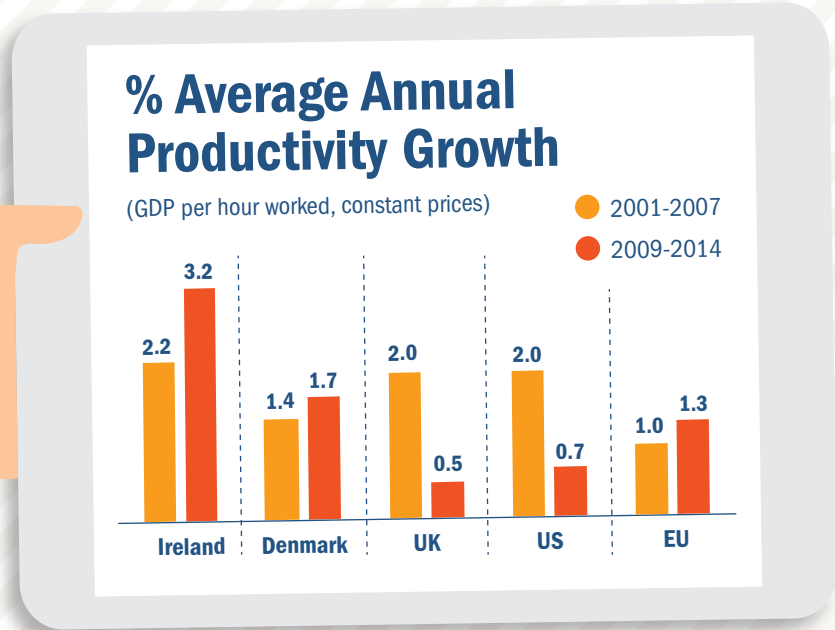
**10th** out of 190 countries

Source: World Bank, Doing Business 2017

Ease of **DOING BUSINESS**

**18th** out of 190 countries

Source: World Bank, Doing Business 2017



Source: OECD

## 1.2 Achievements of the Action Plan for Jobs 2012-2016

Since the first APJ was launched in early 2012, almost 1,700 discrete actions have been implemented by 16 Government Departments and dozens of State agencies to support job-creation. When the first Plan was published in February 2012, a target to add 100,000 extra jobs by the end of 2016 was set – a target that was regarded by many commentators at the time as overly ambitious. As of Q3 2016 (latest data available), almost 190,000 more people are at work since the first Plan was launched in early 2012.

This section provides an overview of some of the main achievements that the Action Plans have delivered over the five years between 2012 and 2016 and which have contributed to that growth in employment.

### Supporting Enterprise Growth

Exporting fuels the domestic economy and delivers more sustainable job opportunities than could otherwise be achieved by an economic model dependent on consumption or government expenditure. Since 2012, the Action Plan for Jobs has pursued an export led approach and the measures we have taken under previous Plans have resulted in strong growth in our export performance – the most significant developments include:

#### ➤ Growing Irish companies' exports

We offer a package of supports through Enterprise Ireland to Irish-owned companies to help them achieve export sales growth, including both financial (e.g. the Internationalisation Grant and the Market Access Grant) and non-financial supports (e.g. through its overseas office network). Irish-owned firms are becoming more export focused – the share of sales from exports was 52 per cent in 2015, up from 46 per cent in 2011. Over the period of its 2014-2016 strategy, *Driving Enterprise, Delivering Jobs*, 45,592 new full time jobs were created by Enterprise Ireland client companies, bringing the total number of people employed to 201,108 – an all-time high for the agency.

#### ➤ Increasing FDI

Winning foreign direct investment is a very competitive business but we continue to perform strongly and deliver on the ambitious annual targets for new investments and job creation. Total employment in IDA Ireland client companies is at its highest level on record, standing at just under 200,000 people in 2016. Between, 2011 and 2016, total employment in IDA Ireland firms increased by almost 46,000 and there were 962 new investments. For every 10 jobs created by FDI firms, another seven have been generated in the wider economy – IDA estimates that client companies directly and indirectly support one in five private sector jobs. 59 per cent of employment in IDA Ireland clients is now outside of Dublin.

#### ➤ Driving productivity growth

To succeed in international markets, Irish enterprise must be competitive. Enterprise Ireland works closely with client companies to assist in adopting lean practices and world class manufacturing standards which is essential to their ability to compete successfully in global markets. Since 2012, we have supported over 600 companies on Lean programmes. Enterprise Ireland, through partners, provides tailored management development programmes to help equip companies with the tools to operate more effectively and achieve real business results in international markets. Between 2012 and 2016, over 1,600 CEOs and managers have participated in Enterprise Ireland in-depth flagship Leadership and Management capability programmes, providing hundreds of companies with the tools, techniques and ambition to grow their businesses.

### > Promoting entrepreneurship

We provide a range of measures to make Ireland one of the most entrepreneurial nations in the world and deliver on the targets we committed to in the 2014 *National Policy Statement on Entrepreneurship*. One of our most successful initiatives has been Ireland's Best Young Entrepreneur competition with a prize fund of €2 million. In 2014 there were more than 1,000 entries, 1,400 in 2015 and 1,842 in 2016. The competition is run by the 31 LEOs across the country. Each LEO has an investment fund of up to €50,000 to award to young entrepreneurs across three categories locally – Best Business Idea, Best Start-Up Business and Best Established Business. In addition to the Ireland's Best Young Entrepreneur competition, we have supported 975 new and early stage start-ups through Enterprise Ireland since 2012. In the 2017 Global Entrepreneurship Index, Ireland ranks ninth of 132 countries, up from 17th in 2015.

### > Increasing collaboration between Irish and foreign-owned companies

Strengthening the connections between Irish owned and foreign-owned firms plays an important role in growing our enterprise base. Through the Global Sourcing initiative, we provide opportunities for Irish-owned firms to connect into global supply networks by winning contracts with foreign-owned firms in Ireland. We set a target for Enterprise Ireland companies to increase global sourcing sales by €100 million over the period 2013-2015. Initial estimates put the increase over the period at around €151 million.

## Stimulating Regional Growth

Accelerating the pace of progress in each region, to maximise their job potential, has been a top priority for the Action Plan for Jobs. Growing the economic base of regions supports social cohesion and provides opportunities for young people in particular to continue to live and work in their local communities. A number of flagship regional initiatives have been advanced, including:

### > Establishing the Local Enterprise Offices (LEOs)

In 2014, we established the 31 Local Enterprise Offices (LEOs) as the first-stop-shop for those beginning a new business and those wishing to expand their existing one. They offer direct financial aid as well as other supports such as mentoring, advice and onward referrals to other support providers. In 2015, a net total of 3,533 new jobs were delivered by the 6,500 small businesses supported across the LEOs. The numbers employed in LEO supported businesses stood at 32,592 in 2015.

### > Regional Action Plans for Jobs

We launched the Regional Action Plans for Jobs initiative in February 2015 to help each region achieve its economic potential and increase employment. There are eight regional plans: Midlands, South West, South East, Mid-West, West, North East/North West, Mid-East and Dublin. Progress in the implementation of the Regional APJs is at an early stage but the signs are good. Employment is growing in all regions. Based on current data all regions are on target to meet or exceed the 2020 job targets set down in 2015 for each region.

### > Regional Enterprise Funding

We are providing funding to support innovative and collaborative approaches to job creation across the regions. In June 2016, we announced an initial allocation of €5 million in competitive funding for 48 local and regional initiatives under the LEO Competitive Fund and the Community Enterprise Initiative. All regions benefited under this initiative. We also launched a €3 million Regional Accelerator Scheme to create more accelerator spaces outside of Dublin for start-ups.



### ➤ IDA Ireland Regional Property Programme

We launched a €150 million IDA Ireland property investment programme to roll out property solutions in regional locations to attract and embed foreign direct investment and deliver IDA's objective of a 30-40 per cent increase in investments outside of Dublin and Cork. We have completed advanced facilities in Athlone and Waterford and office space in Letterkenny. Further advanced facilities are under development in Castlebar, Sligo and Tralee.

### ➤ Delivering regional skills needs

In 2016, we established nine Regional Skills Fora to help foster stronger links between employers and the education and training sector. A dedicated team of nine regional skills forum managers have been put in place to provide a single point of contact in each region and ensure that the responses developed are tailored to the unique identified skills needs of the region. The fora provide a vehicle for close cooperation at regional level between education/training providers and enterprise, between the different education/training providers themselves and a local link with the implementation of other strategies such as the Regional Action Plans for Jobs and Pathways to Work.

### ➤ Town and Village Renewal Scheme

We launched the Town and Village Renewal scheme to regenerate rural towns and villages, facilitate them in improving the living and working environment of their communities and enhance their potential in supporting increased economic activity into the future. Local authorities are partnering with local businesses and communities to develop and implement ideas that can make a sustainable and visible impact in revitalising rural towns and villages. €10 million in capital funding was made available in 2016.

## Delivering Skills for a Growing Economy

Access to a high quality talent pool is becoming the defining feature of modern competitive economies, a trend driven by the move towards increasingly knowledge based activities. It is against this global background that Ireland must compete to develop and attract talent in the coming years. This challenge was recognised in the 2015 Plan, through the Disruptive Reform on the National Talent Drive. This Disruptive Reform was built on the reforms underway in the education and training sector to deliver a more dynamic, responsive and high quality system and ensure that the skills needs of our growing economy are met. Among the key initiatives we have delivered to meet our skills needs are:

### ➤ Reskilling and upskilling jobseekers

Since its inception over €113 million has been allocated to Springboard+ which incorporates the ICT skills conversion programme, from the National Training Fund. This funding has provided for over 30,000 free part-time and full-time higher education places. Springboard courses are delivered in public and private education institutions across the country, in areas such as ICT, manufacturing (e.g. medtech and biotech), construction, entrepreneurship, cross-enterprise skills, hospitality and international financial services. As of July 2016, 80 per cent of those who participated on a Springboard+ course since 2011 are no longer on the Live Register.

### ➤ Providing more apprenticeships

We have developed a new model of apprenticeship training through the Apprenticeship Council and are rolling out new apprenticeships. The Insurance Practitioner Apprenticeship, the first of the new programmes developed through the Apprenticeship Council's call for proposals, launched in September 2016. The Industrial Electrical Engineer Apprenticeships also commenced in 2016. Further new apprenticeships are due to launch in the coming months in a range of sectors identified as having critical skills needs, including medical devices, polymer processing and financial services.

➤ **Training for the long term unemployed**

We rolled out two rounds of Momentum, which provided approximately 13,000 free training places to allow the long-term unemployed gain skills in occupational sectors where vacancies existed. The sectors where projects were funded include construction, ICT, transport, distribution and logistics, tourism, financial services and manufacturing (technology).

➤ **Meeting specific sectoral needs**

Skillnets actively supports and works with businesses in Ireland to address their current and future skills needs. Skillnets funds groups of companies in the same region/sector, and with similar training needs, through training networks that deliver subsidised training to Irish businesses. Skillnets provide training to approximately 40,000 people per annum – 32,000 in employment and 8,000 unemployed.

➤ **Enhancing digital skills**

We launched the *Digital Strategy for Schools, 2015-2020* in 2015, which sets out a clear vision for the role of ICT in teaching, learning and assessment in primary and post primary schools. A fund of €210 million to support the implementation of this strategy out to 2020 has been committed, beginning with an investment of €30 million in the school year 2016/2017. In addition, through the Schools Broadband Access Programme, we provide broadband connectivity for all primary schools. We also provide for high speed broadband access to all post-primary schools.

➤ **Improving performance in higher education**

As part of the Higher Education System Performance Framework 2014-2016, the Higher Education Authority (HEA) implements the Strategic Dialogue process with the higher education institutions including monitoring of performance metrics for the skills needs of the economy. This new system provides a process for the system as a whole to engage with a framework of national objectives. It also provides for individual institutions to directly engage with the HEA to set out how their institutional strategies are aligned with, and contribute to, delivering those objectives. The HEA completed a review of performance compacts with the higher education institutions in 2016.

➤ **Planning for the future**

In January 2016, we published the *National Skills Strategy*, which sets out a vision for the period to 2025 of how Ireland can continue to develop relevant skills and ensure that our supply of skills is activated and effectively used in order to help drive Ireland's growth both economically and societally over the next decade. It includes over 120 actions involving over 50 stakeholders.

## Promoting Innovation

Innovation has played a key role in securing Ireland's economic recovery to date. It plays a vital role in driving productivity growth and fostering competitiveness in a global world, where knowledge and innovation are critical factors for advanced economies. Both Irish and foreign owned Research, Development and Innovation (RDI) active agency client companies have demonstrated greater resilience in terms of sales, exports and employment, and employment in higher value jobs relative to non-RDI active enterprises. Among the key initiatives to drive investment in innovation delivered under the Action Plans for Jobs are:

### > Delivering research excellence through collaboration

In 2013 and 2014, we set up 12 Science Foundation Ireland research centres through Government investment of €355 million and a further €190 million from industry collaborators. Over 200 companies are involved in collaborations with the centres, which are focused on areas of strategic importance to Ireland – including pharma, medical devices, nanotechnology/materials, food for health/functional foods, Big Data, marine renewable energy and software.

### > Health Innovation Hub Ireland

We introduced a pilot project in 2012 as a precursor to the establishment of a National Health Innovation Hub to test the model. The project aims to drive collaboration between the health service and the enterprise sector leading to the development and commercialisation of new healthcare technologies, products and services. Following the success of the pilot project, we decided to scale the project to the national level. In 2016, a consortium led by University College Cork, with partners including Cork Institute of Technology, Trinity College Dublin and the National University of Ireland Galway, was appointed to host Health Innovation Hub Ireland following a competitive call.

### > Leading a whole-of-Government ambition to position Ireland as a Global Innovation Leader

In 2015, we launched *Innovation 2020*, the cross Government strategy for research and development, science and technology. Containing over 90 actions for delivery up to 2020, and with a focus on excellence, talent and impact, the strategy sets out the roadmap for Ireland to create an internationally competitive research and innovation system, driving a sustainable economy and ultimately, to create a better society.

### > Promoting international collaboration

We support Ireland's participation in EU RDI funding programmes – FP7 and Horizon 2020. Participation provides Ireland's SMEs, multinationals, and research institutions with valuable opportunities to engage in high calibre research collaborations with European counterparts. We set an ambitious target of winning €1.25 billion over the lifetime of Horizon 2020. We are making good progress to achieve our target –we have won €337 million between 2014 and Q3 2016. Higher education institutions accounted for 59 per cent of this and companies, 31 per cent.

### > Supporting innovative SMEs

We provide supports through Enterprise Ireland to develop high growth, highly innovative SMEs who have the innovative solutions and capability to win Horizon 2020 funding. Ireland has the highest success rate in Europe for the Horizon 2020 SME Instrument with a 16 per cent success rate compared to a European average of six per cent. Irish SMEs have won a total €74 million across the full Horizon 2020 programme.

### > **Driving IP in enterprise**

We delivered the Knowledge Development Box (KDB) in 2016, which applies a tax rate of 6.25 per cent to profits arising from certain Intellectual Property (IP) that are the result of qualifying research and development activity carried out in Ireland. Its introduction has added a further dimension to Ireland's 'best-in-class' tax offering, and acts as a further incentive for companies engaged in RDI, complementing the existing suite of initiatives and supports across the research and development lifecycle.

### > **Promoting knowledge transfer**

Through Knowledge Transfer Ireland (KTI), we help business to benefit from access to Irish expertise and technology by making it simple to connect and engage with the research base in Ireland. KTI acts as the interface between public research and industry through its web portal and manages the €22.8 million Enterprise Ireland Technology Transfer Strengthening Initiative Funding Programme. In 2015, 748 collaborative research agreements were signed between industry and research organisations. In 2016 *Inspiring Partnership*, a new national IP Protocol was published. The new Protocol introduces some practical additions to speed up negotiation between industry and research organisations.

## **Providing Finance for Growth**

One of our top priorities in previous Action Plans has been ensuring that all viable SMEs have access to a suitable supply of credit from a range of bank and non-bank sources in order to support growth and employment. Substantial work has been undertaken in recent years – the most significant developments include:

### > **Establishing the Strategic Banking Corporation of Ireland (SBCI)**

One of our most important initiatives to improve access to finance was the establishment of the SBCI in 2015 to increase and facilitate the availability of low cost, flexible credit to Irish SMEs. The SBCI now has eight on-lending partners, three bank and five non-bank lenders, and continues its discussions with a number of other bank and non-bank lenders to increase the number and type of products available. To the end of September 2016, a total of €458 million has been lent to over 10,600 Irish SMEs, and the SBCI has committed a total of €906 million to its eight on-lender partners.

### > **Setting up the Ireland Strategic Investment Fund (ISIF)**

We established the ISIF in December 2014 to invest on a commercial basis in a manner designed to support economic activity and employment in the State. To date €355 million has been committed to dedicated SME funds – BlueBay SME Credit Fund, Carlyle Cardinal Ireland SME Equity Fund, Causeway Capital Partners and BMS Finance (Ireland) Fund. A €30 million equity investment has been made in Finance Ireland, the non-bank lender that supports the SME sector. Furthermore, the ISIF has committed €45 million to a Dairy Loan Fund and €538 million to funds and companies which provide venture capital.

➤ **Developing the Microenterprise Loan Fund**

We launched the Microenterprise Loan Fund in 2012, which is administered by Microfinance Ireland to provide support in the form of loans for up to €25,000. From 1 October 2012 to 30 September 2016, the fund has approved loans to 1,062 microenterprises to the value of €15.8 million, supporting 2,322 net jobs, with 79 per cent of loans provided to microenterprises outside of Dublin. Fifty-five per cent of loans were to start-ups.

➤ **Investing in early stage Irish enterprise**

We invest directly in early stage Irish companies to support their growth by way of equity investment through Enterprise Ireland. This includes the Seed and Venture Capital Scheme (2013-2018) to leverage private capital and facilitate the creation of new seed and venture capital funds supporting the development of innovative start-up and growth companies, and the funding of the HALO Business Angels Network by Enterprise Ireland and InterTradelreland which enables the network to continue growing the number of angel investors and developing investment syndicates across Ireland.

➤ **Enhancing the Credit Guarantee Scheme**

We have enhanced the Credit Guarantee Scheme through an increase in the provision of guaranteed financial products by the domestic banks and alternative service providers and to ensure the facilitation of guarantees through non-bank finance entities for the benefit of SMEs. From 24 October 2012 to 30 June 2016, 347 loans were sanctioned under the Credit Guarantee Scheme with a value of €56.4 million.

➤ **Promoting prompt payments**

We promote improved prompt payment practices through the transposition of the EU Late Payment Directive in March 2013, the introduction of the 15 day Prompt Payment Agreement, and enhanced reporting requirements and the launch of the Prompt Payment Code.

➤ **Supporting the agri-food sector**

We launched a €150 million Agri Cashflow Support Loan Scheme through the Department of Agriculture, Food and the Marine (DAFM) in conjunction with the SBCI to provide highly flexible loans to farmers at an interest rate of 2.95 per cent for a term of up to six years. This initiative is funded by DAFM, the SBCI and EU exceptional adjustment aid under a derogation from State Aid regulations that ordinarily apply to the agriculture sector. Its delivery will be supported by a COSME counter guarantee facility.

➤ **Enhancing awareness of State supports**

We developed and continue to update the Supporting SMEs Online Tool ([www.supportingsmes.ie](http://www.supportingsmes.ie)) which, following the introduction of county specific supports offered through individual local authorities and the LEO network, now provides access to information on over 170 Government business supports across 30 Departments and agencies.

## Improving Competitiveness

Ireland's improving competitiveness performance over the period 2011-2016 has been central to the recovery in employment and economic growth. We have delivered a number of reforms through the Action Plan for Jobs to improve the ease of doing business, reduce the administrative burden, enhance our cost competitiveness and increase productivity and drive greater efficiencies across the enterprise base. The main initiatives to enhance competitiveness include:

### > Reforming the employment permits system

We delivered significant reforms to the employment permits system, reducing the administrative burden and processing time for applicant businesses. In 2015 we launched the Trusted Partner scheme to streamline the application process for firms applying for employment permits on behalf of their employees. Trusted partners currently make up 33 per cent of total permit applications. In 2016 we launched the Employment Permits Online System, which has cut the average processing time in half, from 23 days to 11 days.

### > One-stop licence/authorisation application portal

In late 2015 we delivered the Integrated Licence Application Service, the one-stop application portal which is dramatically reducing the time businesses spend applying and paying for licences and authorisations required to establish and operate a business in Ireland. There are currently 5,000 business users registered, with seven licensing authorities using the service across ten licence types. This service is now available to all national and local licensing authorities and the numbers represented on the portal is continually expanding as the system is rolled out.

### > Supporting online trading

We rolled out the online trading voucher scheme in 2014 to encourage small businesses to take full advantage of the efficiencies and opportunities that the digital economy can bring. Over 2,600 businesses have benefited from the scheme, which is delivered through the LEOs. Businesses that participated in the scheme reported that on average they saw their sales increase by 20 per cent, while three in five were exporting for the first time.

### > Improving energy efficiency

Improving Ireland's energy efficiency has the potential to support thousands of jobs in the economy by improving the cost of doing business and opening up new business opportunities. In 2014, we launched the €75 million Ireland Energy Efficiency Fund, with a capital commitment of €35 million from the Government, to act as a catalyst to develop energy efficiency projects in the Irish market and enhance the level of finance available to support the clear cost saving opportunity that exists for public and commercial sector organisations.

### > Rolling out a new national postcodes system

Since its launch in July 2015, Eircodes have signed over 30 business suppliers who provide a myriad of services to their clients across various business categories. Over 400 business customers are using Eircodes in their businesses across the logistics, utilities, retail, financial and insurance sectors. Other businesses freely collect Eircodes directly from their customers for use in their business. Fifteen of the largest public service bodies have integrated Eircodes into their systems to deliver improved services to the public and are now acting as exemplars to other public bodies by sharing their expertise and knowledge.



2

**Responding  
to Brexit**



**We remain a strong and committed member of the European Union (EU). We continue to benefit through the common predictable laws and regulations that enable Irish people and enterprises to operate throughout the EU, and globally through the EU's suite of international agreements.**

The UK's decision to leave the EU presents major challenges for Ireland, given the potential implications for Northern Ireland and North-South relations, our strong economic ties with Britain, and our common positions on so many issues at EU level.

Brexit negotiations are taking place in the context of wider international volatility in relation to trade and tax policies. Our medium-term response to these challenges will extend beyond this Action Plan to a more comprehensive review of all aspects of economic policy and planning to maximise resilience and sustainability of Ireland's economic and enterprise performance.

Our planning ahead of the negotiations is intensifying at both political and official level. A series of working groups have, since last autumn, examined sectoral priorities in response to Brexit under a number of headings including public finance; financial services; agri-food and fisheries; enterprise; energy; education; tourism; EU funded programmes; transport and aviation; and health.

The negotiations are going to be complex and multi-layered. We are currently identifying negotiation and policy priorities assisted by a process of stakeholder dialogue across economic sectors. This will ensure we are well placed to respond effectively to the potential challenges and opportunities of a changed future UK relationship with the EU.

Sectoral work has focused on a number of issues including Brexit impacts since the June UK referendum, projected impacts of Brexit scenarios and policy response and mitigation.

To be successful, the policy response to Brexit must reflect a volatile and changing external environment at global and EU level as well the more direct implications on the island of Ireland. These policy changes must permeate all relevant elements of policy including management of public finances and national competitiveness as well as sectoral priorities including the national planning framework and our approach to infrastructure development and rollout.

The nature and terms of Brexit will be critical to determining both economic impacts and macro-economic and sectoral policy responses. As the UK negotiation position becomes clearer through 2017, therefore, sectoral analyses will be revisited with the aim of honing policy responses. It is clear at this stage, however, that, in addition to the enterprise and retail sectors, the projected impacts of Brexit will be most significant in agri-food and fisheries, the transport and energy sectors and in the Border economy generally. The economy's capacity to adapt to materially higher rates of external volatility including, but not limited to, exchange rate volatility, will be a significant factor in the future.



## Budget 2017

We presented our initial response to the challenges from an employment and economic growth perspective in Budget 2017. The continued adherence to prudent fiscal and economic policies is a central element of the overall approach to Brexit. In addition, the “rainy day” fund that we will commence in 2019 will provide an initial shock absorption capacity if needed following Brexit, or other economic shocks. We also announced a new domestic target for a debt to GDP ratio of 45 per cent to be reached by the mid-2020s or thereafter, depending on economic conditions, to provide an additional buffer in view of the particular risks that Ireland, as a small and very open economy, faces.

More specifically, Budget 2017 contains several measures designed to ensure that enterprise in Ireland – especially those in the SME sector – are prepared for a potentially more difficult trading environment. This includes tailoring the wide range of State supports currently available such as low cost credit and increased credit supply from the Strategic Banking Corporation of Ireland; funding for growth and efficiency from Enterprise Ireland; and financing from Microfinance Ireland for micro enterprises affected by Brexit.

We are also retaining the reduced nine per cent VAT rate for the hospitality sector; narrowing the tax differential between the self-employed and those in the PAYE system; committing ourselves to the introduction of an SME-focused share-based incentive scheme; providing a lower 10 per cent level of capital gains tax for entrepreneurs on disposals of qualifying assets up to a lifetime limit of €1 million; and introducing an income averaging “step-out” in the agriculture sector.

## Supporting enterprise to diversify

We have allocated additional resources in a number of areas, including an additional €3 million to Enterprise Ireland and IDA Ireland to provide greater representation in target markets to help Irish businesses export more and to attract in new investment. Among the initial initiatives undertaken to support the agri-food sector are an additional €750,000 of funding for Bord Bia for marketing services for SMEs. Other key elements of the 2017 response include an enhanced programme of Enterprise Ireland trade and investment missions and other trade promotional events as well as the rollout of its new ‘Global Ambition Campaign’ which will promote Irish companies and their products and services to international buyers.

While the ultimate implications of the UK’s exit from the EU are unclear, it represents a particular risk to some enterprise sectors. In many cases, these sectors are particularly labour intensive, have lower profit margins, and have a strong regional footprint.

Some 1,500 Enterprise Ireland client companies have recorded exports to the UK. The fact is that the UK will remain a priority market for such exporters and so our efforts will focus on both sustaining those exports, in the short and long-term, and even growing exports where opportunities exist. Further, in strategic terms, for reasons of language, proximity and similarities in business culture, the UK will remain the prime target for small and first-time Irish exporters.

Enterprise Ireland’s Irish based team will be enhanced with additional staff to provide targeted supports and programmes to assist companies before they enter a market. The more prepared enterprises are before entering a market, the greater the chance of sustained export success. Training and supports in terms of management capability, leadership, marketing and sales skills, and RDI will help companies to build market share and create new market opportunities. Enterprise Ireland will also deliver a suite of supports that help clients reduce supply-chain costs and drive efficiencies and cost reductions as a means of improving operating margins.

While this chapter sets out the actions to mitigate against the likely impact of Brexit for Ireland in 2017, Chapter 3 – Driving Enterprise Growth sets out the full suite of initiatives to support the sustainable growth of enterprise taking into account the increasingly uncertain global trading environment. We will intensify export growth to other markets, to reduce reliance on the UK, re-orienting companies towards North America, Asia and the Middle East.

Both Irish and foreign owned RDI active agency client companies have demonstrated greater resilience in terms of sales, exports and employment, and employment in higher value jobs relative to non-RDI active enterprises. We want to see more Irish enterprises investing in research and development to create higher value products and services and diversify the composition of our exports (see Chapter 5).

We will publish a new trade strategy early in 2017, which will reflect and take into account the new trade landscape evolving from EU and WTO bilateral and plurilateral agreements. We will raise awareness of new enterprise opportunities arising from the EU's international trade and investment agreements, including improved market access, broader supply channels, greater predictability in the trading environment, and less red tape. We will ensure that Ireland achieves the greatest possible benefit from trade agreements in new sectors such as environmental goods, services and investment (see Section 3.3).

For the agri-food sector, the UK is by far our largest trading partner. In 2016, Ireland exported an estimated €4.1 billion worth of food and drink products to the UK, which represents 37 per cent of total food and drink exports, down from 41 per cent in 2015. Through the Department of Agriculture, Food and the Marine, and its agencies, we will provide specific supports to address the challenges facing exporters to the UK and help them access new markets (see Section 9.1).

Brexit is also likely to affect tourist numbers from Great Britain, due to changes in the exchange rate, and a fall in overall outbound tourism from Great Britain. Tourism Ireland is increasing its focus on markets in Mainland Europe and North America, which provide the best prospects for growth in overseas visits and revenue, and also pursuing opportunities for growth in newer tourism markets like China and India (see Section 9.2).

### **Improving competitiveness**

Exchange rate fluctuations will pose real challenges for low margin exporting sectors that are reliant in whole or in part on the UK market. Given Brexit is likely to represent a structural shift in the UK's trading relations with partners, short, medium and long term responses are needed for Irish business.

We are working on the issue of short term support for vulnerable but viable companies impacted by Brexit. The objective of this approach is to design a tailored, targeted evidence based response to industry's real needs. In this respect a structured dialogue with industry is currently ongoing and on conclusion of that dialogue we will, if appropriate, bring forward further proposals to address the ongoing concerns of Irish firms.

We will focus relentlessly on competitiveness in the short term and avoid any measures which would increase the vulnerability of the sectors most exposed (see Chapter 7).

### **Realising the opportunities**

There are also many new opportunities for Ireland in the rapidly-changing global economy, some of them flowing from Brexit. We will re-focus on sectors where we can provide a unique offering, getting public and private sectors to work together effectively. The International Financial Services (IFS) sector is one important example of this approach – and we have ambitious growth targets under the *IFS 2020 Strategy* (see Section 9.5). Health Innovation Hub Ireland is another more recent example.

We have to make sure that when decisions are taken on job creating investments around the world, Ireland remains at the very top of people's lists. That means keeping our offer to investors fresh and relevant. We have made it clear that our 12.5 per cent rate of corporation tax will remain a central plank of what we have to offer. With global competition for talent, we need to have the right offer to attract the people we need to Ireland, including returning emigrants. This includes a competitive income tax regime.

IDA Ireland will pursue any potential new mobile investment resulting from Brexit. To attract such additional foreign direct investment, IDA will ensure potential investors fully understand our commitment to the EU and the benefits of locating in Ireland.

These benefits include, in addition to our continued membership of the Eurozone and single market, our talented workforce, our pro-enterprise policy environment and our track record as a home to multinational companies.

### Market diversification

|          |   |
|----------|---|
| <b>1</b> | Provide additional market expertise and initiatives, including measures to drive increased company innovation, and additional staffing in Dublin, the UK and third markets, to support companies dependent on the UK market, to sustain existing market share and drive growth.<br><br>(EI, Bord Bia) |
| <b>2</b> | Intensify work with companies to grow export opportunities and diversify into markets outside the UK.<br><br>(EI)   |
| <b>3</b> | Roll out Enterprise Ireland's Global Ambition Campaign to raise awareness and encourage Irish exporters to grow their business globally. This will include sectorally focused messaging targeted at international buyers.<br><br>(EI)   |
| <b>4</b> | Run an enhanced programme of trade promotion events and study visits in 2017.<br><br>(EI)   |
| <b>5</b> | Deliver an international 'in-market' clustering strategy promoting Irish sectoral cluster capabilities to international buyers in priority markets and sectors.<br><br>(EI)   |
| <b>6</b> | Enhance the Sales and Marketing Unit within Enterprise Ireland which will act as a centre of excellence for sales and marketing capability working with its clients at each stage of development.<br><br>(EI)   |
| <b>7</b> | Engage with State agencies supporting exporting SMEs in their development and tailoring of supports and information in relation to Brexit.<br><br>(SBCI, DJEI, DoF, SME State Bodies Group)   |
| <b>8</b> | Actively promote opportunities arising from Free Trade Agreements with the agencies and business organisations, including improved market access, broader supply channels, greater predictability in the trading environment and less red tape.<br><br>(DJEI, agencies)                               |
| <b>9</b> | Provide information to businesses on the importance of certification to international product and management standards.<br><br>(NSAI)   |

## Improving competitiveness

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| 10 | Deliver Brexit specific workshops to clients as part of the Finance 4 Growth Series.<br><br><p style="text-align: right;">(EI)</p>   |
| 11 | Increase the competitiveness of clients in those sectors and regions most impacted by Brexit through the proactive engagement of our competitiveness, management development and innovation supports.<br><br><p style="text-align: right;">(EI)</p>  |
| 12 | Deliver a range of initiatives to assist LEO client companies in meeting the challenges posed by Brexit, including awareness-raising, mentoring, training, developing internationalisation opportunities and Lean.<br><br><p style="text-align: right;">(LEOs/EI)</p>  |
| 13 | Recognising the importance of cross-border economic links on the island of Ireland and the role of InterTradelreland and other North South bodies in the area of cross-border business development and job creation, particularly in the light of the UK referendum decision, maintain a focus on economic growth and job delivery through the North South Ministerial Council and continue outreach activities, including at Ministerial level, to the Northern Ireland business community.<br><br><p style="text-align: right;">(DFAT, DJEI, ITI with relevant Departments and agencies)</p> |
| 14 | Fund the development of a programme of initiatives to increase the awareness and capacity of SMEs to deal with the practical consequences of Brexit for cross border trade.<br><br><p style="text-align: right;">(ITI)</p>   |
| 15 | Work with retail representative bodies and other relevant members of the Retail Consultation Forum to bring a focus to key evolving challenges for the retail sector resulting from Brexit.<br><br><p style="text-align: right;">(Retail Consultation Forum, retail representative bodies, DJEI)</p>   |

## Realising the opportunities

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|----|---|
| 16 | Maximise the opportunities presented by ongoing global developments in front, middle and back office activities in banking, payments, insurance, reinsurance, funds and asset management plus financial market infrastructure arising from Brexit in the context of the Government's <i>IFS2020</i> strategic measures.<br><br><p style="text-align: right;">(IDA/DJEI, DoF, DFAT with relevant Departments and agencies)</p> |
| 17 | Develop Ireland as an attractive location for mobile, globally renowned researchers, including UK based researchers, and strengthen Ireland's research funding collaborations with the UK and Northern Ireland.<br><br><p style="text-align: right;">(SFI)</p>  |

## Agri-food

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| 18 | Provide specific support and advice to food and drinks companies on the impact of Brexit.<br><br><p style="text-align: right;">(DAFM and agencies)</p>   |
| 19 | Roll out a schedule of trade visits and secure access to new third country markets for Irish meat and dairy products while maintaining access to existing markets.<br><br><p style="text-align: right;">(DAFM, Bord Bia, EI)</p> |

## Tourism

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| 20 | Accelerate diversification of overseas tourism to Ireland to reduce the impact of a possible decline in visits from Great Britain.<br><br><p style="text-align: right;">(Tourism Ireland)</p> |
|----|---|

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**3**

**Driving  
Enterprise  
Growth**

**Our ability to trade successfully in global markets and increase our export activity is critical to deliver sustainable growth and employment. Since 2012, the Action Plan for Jobs has pursued an export led approach and the measures we have taken under previous Plans have resulted in strong growth in our export performance. In 2015, we published *Enterprise 2025*, which sets out the long term strategy to deliver sustainable growth and employment, led by a strong export performance.**

Exporting firms, supported by State agencies, are important job creators and their successes are the base upon which continued economic growth and sustainable employment creation across the country will be built. The enterprise development agencies, through their work in supporting exporting firms, will play a significant role in ensuring these targets are achieved. Despite a challenging international trading environment, our enterprise development agencies' significant success record over recent years is indicative of the outcomes that can be achieved through a shared commitment to creating a more prosperous future for Ireland that is underpinned by sustainable growth.

In 2017, we will continue to support export growth directly and indirectly through a sophisticated suite of actions. Through coordinated efforts to enhance and promote our world-class export base, grow Irish companies and further develop and embed foreign direct investment here, the measures set out in the following sections will ensure every existing and potential exporting business in Ireland receives the support they need to establish and prosper.

### Enhance awareness of enterprise supports

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| 21 | <p>Lead and implement an integrated communications plan for enterprise supports that increases awareness among all businesses of the broad suite of supports that are available and how to access them.</p> <p style="text-align: right;">(DJEI, relevant Departments and agencies)</p> |
|----|---|

### 3.1 Growing and scaling enterprise

The State offers a package of supports through Enterprise Ireland to Irish-owned companies to help them achieve export sales growth. Enterprise Ireland supported companies created 19,244 gross new jobs in 2016, resulting in a net increase of 9,117 jobs. This brings total employment in Enterprise Ireland supported firms to just over 201,000 – an all-time high. Exports by Enterprise Ireland client companies reached an estimated €22 billion in 2016.

In January 2017, Enterprise Ireland launched its new 2017-2020 strategy, *Build Scale – Expand Reach*, which aims to increase the global reach of client company exports, with two-thirds of exports going beyond the UK, and to deliver annual exports of €26 billion by 2020. It also includes targets to deliver 60,000 new jobs and increase the level of spend by Enterprise Ireland supported firms in the Irish economy to €27 billion per annum by 2020.

Enterprise Ireland offers a number of targeted interventions to meet the specific needs of scaling companies and help them to achieve global success. Driving scale will be achieved through a focus on leadership, competitiveness, export diversification, innovation, research collaboration and access to finance.

Strengthening the connections between Irish-owned firms and the foreign-owned base of companies in Ireland plays an important role in growing our enterprise base. We will continue to provide opportunities for Irish-owned firms to connect into global supply networks through the Global Sourcing Initiative.

Demonstrating to foreign-owned firms based in Ireland that Irish-owned companies can offer cost effective and innovative solutions to their needs is paramount.

The *Programme for a Partnership Government* emphasises the importance of the micro, small and medium sized enterprise sector to the economy. SMEs make up 99.8 per cent of all enterprises and account for 70 per cent of employment in the private sector and half of gross value added. Within this SME population, there are 219,880 micro enterprises (less than 10 employees), accounting for 92.3 per cent of all active enterprises.

The Irish public sector spends in the region of €12 billion per annum on goods, services and works. We established the Office of Government Procurement to centralise the procurement function; enable consistency and standardisation of approach; and deliver better value for the taxpayer. These reforms assist SMEs by making procurement more transparent and accessible. We will continue to develop measures to ensure SMEs maintain the high level of access to procurement opportunities.

## Growing and scaling Irish companies

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| 22 | Implement the new Enterprise Ireland strategy to target the creation of 15,000 new jobs and to support clients to achieve €23 billion in exports in 2017.<br><br>(EI)  |
| 23 | Drive scale in Irish based enterprises through a package of targeted interventions to meet their specific needs.<br><br>(EI)   |
| 24 | Strengthen the potential of Local Enterprise Offices to support jobs and start-ups at local level.<br><br>(LEOs/EI)  |
| 25 | Enhance leadership capability and address skills gaps by delivering significant Leadership and Management Development programmes to 650 managers and to support the scaling of Irish companies.<br><br>(EI)                            |
| 26 | Implement tailored mentoring programmes for the benefit of over 300 Enterprise Ireland supported companies.<br><br>(EI)  |
| 27 | Develop and run a pilot Training Needs Analysis Workshop to provide companies with the framework to identify their training needs.<br><br>(EI)   |
| 28 | Target a significant increase in graduate talent into the Enterprise Ireland client base through Graduates 4 International Growth and Grad-Hub.<br><br>(EI)  |
| 29 | Generate closer links and business opportunities between Irish-owned and foreign-owned enterprises to achieve increased global sourcing sales.<br><br>(EI/IDA, DJEI)   |
| 30 | Develop a new website to drive operational excellence and sustained competitiveness building capability for companies in Ireland through the provision of information and advice.<br><br>(EI with IDA, ÚnaG, LEOs and industry groups) |
| 31 | Actively engage with enterprise to facilitate SME participation in public procurement, including training and information events and the development of guidance and information notes.<br><br>(DPER/OGP, DJEI, EI, ITI, LEOs)         |



### Growing sectoral clusters

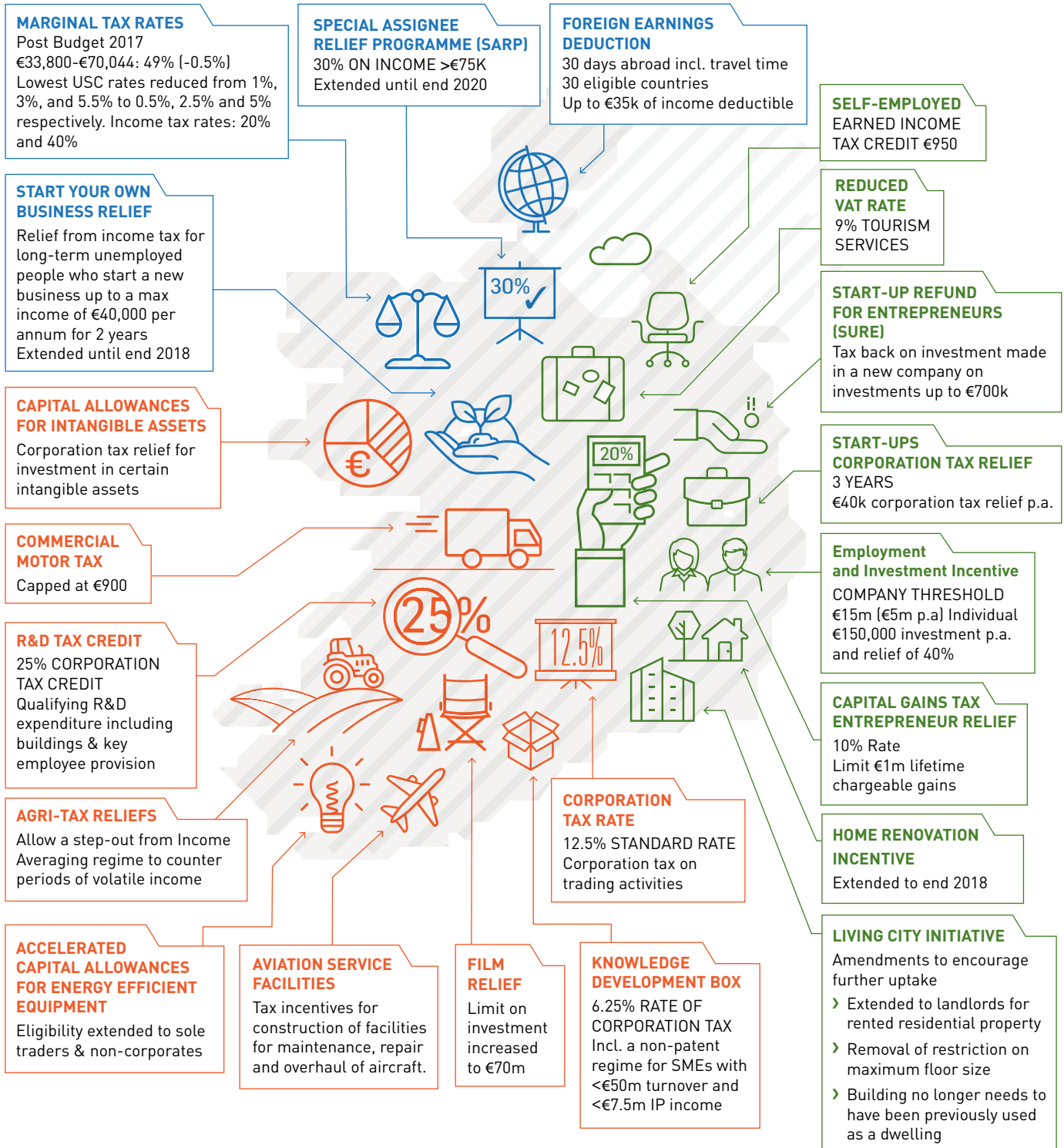
|    |   |
|----|---|
| 32 | <p>Enhance Ireland's position and competitiveness in global aviation to realise the sector's growth potential.</p> <p style="text-align: right;">(DTTAS, NCDAF)</p>   |
| 33 | <p>Implement an ambitious International Education Strategy to strengthen the quality and relevance of our education system in global terms, and to support the development of Ireland's global relationships.</p> <p style="text-align: right;">(DES, HEIs)</p>   |
| 34 | <p>Work with the Irish Film Board and other agencies including Broadcasting Authority of Ireland's Sound and Vision Fund and public service broadcasters to explore the capacity to expand the audio-visual screen content production sector and implement the joint Irish Film Board/Broadcasting Authority of Ireland national strategy on skills shortages and talent development.</p> <p style="text-align: right;">(DAHRRGA, IFB, BAI)</p> |
| 35 | <p>Assess the potential and conditions necessary for the strategic development of Ireland's bio-economy across all sectors.</p> <p style="text-align: right;">(D/Taoiseach with relevant sectoral Departments)</p>  |

# ENTERPRISE, INVESTMENT AND ENTREPRENEURSHIP TAX MEASURES SUMMARY

## SKILLS & TALENT

## INVESTMENT & INNOVATION

## ENTREPRENEURSHIP



## 3.2 Supporting Foreign Direct Investment

Foreign direct investment (FDI) contributes to employment, enhanced productivity growth, our RDI capabilities and domestic value added. IDA Ireland supported clients delivered nearly 19,000 gross jobs in 2016 with the net increase amounting to 11,842 jobs. IDA secured 244 investments in 2016, up from 213 in 2015 and new name investment also increased from 94 in 2015 to 99 in 2016. Total direct employment by overseas companies in Ireland now stands at just under 200,000 people, the highest on record.

IDA launched its new strategy *Winning: Foreign Direct Investment 2015-2019* in February 2015. This strategy includes ambitious targets to boost FDI in Ireland by over 40 per cent, creating 80,000 new jobs in the economy over the next five years. The targets, when achieved, will bring total direct employment by overseas companies in Ireland to 209,000 people by 2019. This will be the highest level of employment from overseas firms in the history of the State and will deliver wide-ranging economic benefits for the people of Ireland.

Looking forward to ongoing growth in the FDI sector, and in the economy more widely, will require a renewed focus on investment in the productive capacity in the economy. This is particularly pertinent in light of the potential risks and FDI opportunities for Ireland from Brexit.

The FDI opportunities are likely to be found along differing timelines, partially influenced by sector. In order to take advantage of these opportunities it is important that the Government continues to invest in expanding the capacity of the Irish economy particularly in areas such as infrastructure, commercial real estate, housing and skills development.

### Supporting Foreign Direct Investment

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|----|--|
| 36 | Target 7,000 net new jobs in 2017 through the creation of new jobs and sustaining current employment in existing IDA companies. (IDA)          |
| 37 | Work to win another 180 FDI projects in 2017, including investment from high growth and emerging markets together with new forms of FDI. (IDA) |

### 3.3 Promoting Trade

The uncertainty in the global trading environment presents significant challenges for a small open economy like Ireland. We are currently developing our new trading strategy to support the delivery of our objectives to diversify into new markets and intensify our focus on building and sustaining existing markets. We will reflect and take into account the potential for significant changes to the global investment and trading environment and the new trade landscape evolving from EU and WTO bilateral and plurilateral agreements.

We will raise awareness of new enterprise opportunities arising from the EU's international trade and investment agreements, including improved market access, broader supply channels, greater predictability in the trading environment, and less red tape. We will ensure that Ireland achieves the greatest possible benefit from trade agreements in new sectors such as environmental goods, services and investment.

We will work to promote and safeguard Ireland's interests across the range of important WTO developments that are expected to arise over the course of this strategy, including the finalisation of an Environmental Goods Agreement, the implementation of a revised Information Technology Agreement, the expansion in coverage of the Government Procurement Agreement, the finalisation of a Trade in Services Agreement (in parallel to the WTO), and expected important developments in respect of agriculture and digital trade.

Ireland by virtue of our membership of the EU has benefited and will continue to benefit from the EU's suite of bilateral and multilateral Free Trade Agreements with both established and growth markets. These include Canada, Mexico, Colombia, Peru, South Korea, Vietnam, Ukraine and many other trade partners around the world. Ireland will continue to work within the EU for free and fair global trade to broaden and deepen the footprint of Irish firms on global markets.

## Promoting Trade

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|----|---|
| 38 | <p>Deliver the new trading strategy, the successor to the <i>Government Trade, Tourism and Investment Strategy</i> and prioritise its implementation in subsequent years.</p> <p>(DFAT, DJEI with relevant Departments and agencies)</p>  |
| 39 | <p>Develop and implement a programme of Ministerial-led trade missions and other trade, tourism, investment and education events focused on key target markets, and growing existing and new markets.</p> <p>(DJEI, EI, DFAT with relevant Departments and agencies)</p>  |
| 40 | <p>Advance and promote participation in EU and multi-lateral Free Trade Agreements to encourage market-deepening and expansion to new markets for Irish firms.</p> <p>(DJEI with relevant agencies)</p>   |
| 41 | <p>Actively manage the Global Irish Network, in cooperation with Government Departments and State agencies to implement the recommendations stemming from Global Irish Economic Fora and to ensure that the Global Irish Network remains a key partner in identifying and delivering actions across the economy that supports jobs.</p> <p>(DFAT, DJEI with relevant Departments and agencies)</p>              |
| 42 | <p>Deliver focused events and supporting actions to support a deepened economic engagement with Africa, under the banner of the Africa Ireland Economic Forum.</p> <p>(DFAT with relevant Departments and agencies)</p>   |
| 43 | <p>Develop and implement whole-of-Government cross sectoral strategies for Asia-Pacific and the Americas.</p> <p>(DFAT, DJEI with relevant Departments and agencies)</p>  |
| 44 | <p>Enhance the coordinated approach to international messaging across Government, including through the regular updating of key messages and their communication by Ireland's Embassy network and update, on a regular basis, key messages for international audiences on Ireland's economic progress and our trade, tourism and investment strengths.</p> <p>(DFAT with relevant Departments and agencies)</p> |

### 3.4 Supporting Entrepreneurship

Promoting a national spirit and culture of entrepreneurship is essential if we are to facilitate a strong pipeline of future business start-ups. Our *National Policy Statement on Entrepreneurship*, published in 2014, targets doubling the jobs impact of start-ups on our economy over five years to 2019 (from 93,000). This is why we have committed to increasing the number, survival and capacity to scale of start-ups each by 25 per cent.

Ireland's performance in the area of entrepreneurship continues to improve, with the latest Global Entrepreneurship Index ranking Ireland ninth out of 137 countries, up from 12<sup>th</sup> last year. The Department of Jobs, Enterprise and Innovation will work with the Entrepreneurship Implementation Group to monitor progress on implementing the policy statement. This Group is tasked with producing an annual report for the Minister. We will work with this Group and wider stakeholders to produce a mid-term review of the five year policy statement.

In September 2016, the Department of Justice and Equality issued a call for proposals under the EU Programme for Employability, Inclusion and Learning (PEIL) 2014-2020 for women's entrepreneurship. The initiative aims to develop and deliver interventions to address the gender gap in entrepreneurial activity through targeted supports for women's entrepreneurship. There was also a call for training for women returning to the workforce (see Chapter 8). The funding available for the two initiatives in 2017 is €1.8 million.

In recent years, Enterprise Ireland has promoted female entrepreneurship through targeted Competitive Start Funds, training programmes, events and awards, highlighting female role models, and support for female entrepreneur networks.

The Local Enterprise Offices (LEOs) also have a particular focus on encouraging and supporting female entrepreneurship through initiatives such as the Women in Business Networks and a National Women's Enterprise Day held annually. An important aspect of the networking programme is the promotion of successful female entrepreneurs as role models and the use of mentoring and networking opportunities to build the confidence of new female entrepreneurs. This focus on increasing female led start-ups will continue in 2017.

With the median age of the population in Ireland expected to rise significantly in coming decades, older people are a potentially valuable resource for entrepreneurship. This cohort has experience and knowledge and it is essential that support programmes harness this resource. The national system of entrepreneurship must engage seniors in both business creation and in supporting new and existing entrepreneurs.

This will maximise the wealth of experience they possess that can be lost on retirement and ensure effective knowledge transfer. The LEOs are partners in the Ingenuity Programme for the over 50s, where participants can either take part in a Start Your Own Business Programme or a DCU high-potential start-up accelerator designed for entrepreneurs for those with ambition to establish a fast-growth internationally trading company.

### Supporting entrepreneurs and start-ups

|    |   |
|----|---|
| 45 | Progress the implementation of the <i>National Policy Statement on Entrepreneurship</i> .<br>(DJEI)   |
| 46 | Provide business developmental and financial supports to 180 High Potential Start-Ups and early stage start-ups and develop new and different sources of future High Potential Start-Up companies.<br>(EI)  |
| 47 | Deliver a new approach to the promotion of entrepreneurship at local level.<br>(LEOs/EI)  |
| 48 | Promote and facilitate increased provision of education and training opportunities related to entrepreneurship and identify best practice education and training on entrepreneurship within further education and training provision.<br>(SOLAS, ETBs, DES, HEA, HEIs, SFI) |
| 49 | Create a stronger focus on entrepreneurship, creativity and innovation in schools.<br>(DES, LEOs/EI)  |
| 50 | Deliver the Ireland's Best Young Entrepreneur (IBYE) Competition 2017/2018 with a target of 1,500 applicants.<br>(LEOs/EI)  |

### Female entrepreneurship

|    |  |
|----|--|
| 51 | Roll out the Women's Entrepreneurship Initiative to promote female entrepreneurship and develop their entrepreneurial capabilities.<br>(DJE) |
| 52 | Further develop female centred entrepreneurial and start-up initiatives.<br>(EI, LEOs, DJEI)   |

# CASE STUDY

## Ireland's Best Young Entrepreneurs: Success Stories

Aimed at 18-to-35 year olds, Ireland's Best Young Entrepreneur (IBYE) is an initiative run by the 31 Local Enterprise Offices around the country and funded by the Department of Jobs, Enterprise and Innovation and Enterprise Ireland. Now in its third year, a €2 million investment fund is available which supports young entrepreneurs through training, mentoring and direct financial investments. Two dynamic start-ups whose involvement in the IBYE competition was pivotal to their development are preparing to take the world by storm in 2017.

### Showoff

Cutting-edge Irish software company, Showoff, is delivering world-class mobile applications for iOS and Android, and is set to launch a new health app, Responder, that will put it on the international stage. Responder can detect if a person has had a fall or a seizure, and will notify the wearer's first responder to come to their aid.

Founded in Wicklow in 2012 by school friends Philip Kirwan (28) and Shane Byrne (29), Showoff has quickly grown into a business that today employs 15 full time staff at its headquarters in Rathnew, with plans to employ another 10 in 2017. The combination of Shane and Philip's skills have been central to its success. Shane, the company CEO, has experience in sales, marketing and management, while Philip, the CTO, is expert on the tech side, in particular mobile applications.

Supported by LEO Wicklow, it has developed more than 120 apps and software solutions including the popular weight-mate app for Safefood, used during the RTÉ One TV Operation Transformation programme. Shane, who won the 'Best Established Business' category in IBYE 2014 for Wicklow and the South-East Region, stresses the value of the company's involvement in the competition.

"Entering the IBYE has been huge for us. Apart from financial supports, it has exposed us to lots of other businesses, and helped us tap into a network of entrepreneurs at the same stage of development as us, people we can seek advice and draw inspiration from."

In the longer term, Shane and Philip have a dream to develop the South East as a high-tech hub in Ireland.

[www.showoff.ie](http://www.showoff.ie)





## Cool Bean Company

Convenience food start-up, Cool Bean Company is to launch several new food products in 2017. Founded by Sarah O'Connor (31) and Isolde Johnson (29), the company's signature products are gourmet cannellini baked beans, which offer consumers a healthy, convenient and tasty meal solution. The company employs five full-time staff at its headquarters in Blanchardstown, Dublin, with plans to take on more staff in the next 12 months. The company is shifting from "cool beans" to "cool food" with plans to launch baked potato and bean combos, bean veggie burgers and other tasty snack products.

Supported by LEO Dublin City, Isolde won the 'Best Start-Up Business' award for the Dublin Region in IBYE in 2015 and reached the National Final that year, winning the Google award for 'Best Online Promotion of a Business'. Isolde feels that taking part in IBYE has had a huge impact on the rapid development of the business, saying:

"Participating in IBYE was an invaluable learning and development process for us. One of the main things it did was help us look at the bigger picture and strategise and plan for the future. When you're running your own business, it can be really difficult to find time to focus on growth as you are caught up in the day to day issues."

Since the IBYE competition, the company has grown significantly. Products are now on sale in SuperValu, Spar, Centra, Lonsis, Dunnes Stores and on the shelves in Waitrose in the UK.

[www.coolbeans.ie](http://www.coolbeans.ie)

### 3.5 Ensuring Finance for Growth

While the economic recovery has led to an improvement in overall credit availability for Irish business, the issue of access to appropriate forms of finance remains a key concern for many Irish entrepreneurs, microenterprises and SMEs. Since 2011, we have focused on ensuring that all viable SMEs have access to a suitable supply of credit from a range of bank and non-bank sources to support growth and employment. While much progress has been made on this objective, which will continue in 2017, the primary focus of Government credit supports will be on the evolving challenges posed by the UK decision to leave the EU.

Access to finance remains critical for entrepreneurial start-ups and the development of businesses in Ireland. Traditional bank financing dominates the Irish SME market with €1.5 billion of new lending by the banks to Irish resident SMEs reported by the Central Bank in the first half of 2016. However, non-bank finance has gained traction at a moderate level in recent years.

The Irish Venture Capital Association, which includes funding by business angels, venture capital and some private equity funds, has recorded a steady increase in investment in SMEs, recording a 30 per cent increase year on year in 2015. The reality is that bank financing may not always be the most appropriate form of finance for some businesses. Equity finance may be a better option for start-ups, highly innovative firms and fast-growing SMEs. In Ireland, and across other OECD countries, a gap exists for SME equity finance.

The Strategic Banking Corporation of Ireland (SBCI) has continued to make progress with its mandate of providing low cost, flexible finance to SMEs through its numerous on-lenders. To the end of September 2016, a total of €458 million has been lent to over 10,600 SMEs and the SBCI has committed a total of €906 million to its eight on-lending partners.

In 2017, the SBCI will continue to make significant funding available to SMEs across Ireland. The work done under previous Action Plans to provide finance for growth has supported many SMEs to build up their reserves to allow them to better face the uncertainty caused by Brexit and other external threats. However, the reality is that many SMEs will require further access to credit to adapt to the effects of Brexit. We will roll out an Export Finance Initiative in 2017 to support Irish exporting SMEs. The pilot will run for an initial period of one year and its uptake and effectiveness will be assessed.

Under its new strategy for the period 2017-2020, Enterprise Ireland will also be enhancing and targeting its direct company equity and grant supports to support companies to enhance their competitiveness, innovate and increase their global reach. This will be critical to support Irish exporters to sustain and create jobs through wider international sales in the context of Brexit.

In particular, Enterprise Ireland will help clients address funding gaps by working with investment partners to ensure greater availability of equity and debt funding which will include long term finance for scaling and growth. It will also continue to invest directly and indirectly in seed and venture capital programmes to ensure adequate availability of capital for start-ups.

| <b>Ensuring Finance for Growth</b> |  |
|------------------------------------|--|
| <b>53</b>                          | Introduce a new Credit Guarantee Scheme to encourage additional lending to SMEs by commercial finance providers.<br><br>(DJEI, SBCI)   |
| <b>54</b>                          | Introduce a new Counter Guarantee Scheme to support the leveraging of greater funds for Irish SMEs from EU risk sharing financial instruments.<br><br>(DJEI, SBCI, DoF)  |
| <b>55</b>                          | Roll out an Export Finance Initiative, in congruence with national and EU legislation, to support export orientated SMEs in order to determine the demand from SMEs for export finance.<br><br>(DoF, SBCI, DJEI, EI, ISIF, DAFM)   |
| <b>56</b>                          | Deliver, through the Strategic Banking Corporation of Ireland, effective financial supports to SMEs that address failures in the Irish credit market by sourcing additional funding from international organisations and securing new on-lenders, while driving competition and innovation.<br><br>(SBCI, DoF, DJEI, ISIF, EI, DAFM, SME State Bodies Group) |
| <b>57</b>                          | Examine ways to support non-bank alternative providers of finance to SMEs in the Irish market both directly as part of the Ireland Strategic Investment Fund's SME strategy, and also indirectly via other strategies including food and agri, real estate and venture capital.<br><br>(ISIF)  |
| <b>58</b>                          | Enhance and target direct company equity and grant supports to support Enterprise Ireland's client companies to enhance their competitiveness.<br><br>(EI)   |
| <b>59</b>                          | Conduct a review of the Credit Review Office to ensure its statutory base allows it to effectively accomplish its objective of ensuring viable businesses can access credit.<br><br>(DoF)  |
| <b>60</b>                          | Conduct a review of the credit application process with a focus on the administrative burden for SMEs and the time costs to them.<br><br>(SME State Bodies Group)  |
| <b>61</b>                          | Enhance awareness amongst SMEs and entrepreneurs of State business supports to raise their financial capacity in either starting a business, or in growing and expanding an established business.<br><br>(SME State Bodies Group)  |
| <b>62</b>                          | Monitor data on lending to SMEs from both bank and non-bank sources, and demand from SMEs for credit to inform policy and ensure that viable SMEs can access appropriate finance.<br><br>(DoF, CRO, SME State Bodies Group)  |
| <b>63</b>                          | Ensure that viable SMEs continue to have access to appropriate alternative sources of finance.<br><br>(DoF, SME State Bodies Group, DJEI, EI)  |
| <b>64</b>                          | Improve the financial skills of Irish SMEs.<br><br>(SME State Bodies Group, DJEI)  |
| <b>65</b>                          | Promote and monitor improved prompt payment practices in Ireland.<br><br>(DJEI)  |
| <b>66</b>                          | Engage and collaborate with other bodies and policy analysts to leverage their expertise and draw on international best practice for developing, implementing, monitoring and evaluating policy initiatives that will provide SMEs access to appropriate finance to meet their enterprise needs.<br><br>(DoF, DJEI, SME State Bodies Group)                  |





**4**

**Delivering  
Skills for  
a Growing  
Economy**

**Access to a high quality, adaptable, innovative and flexible talent pool is becoming the defining feature of modern competitive economies worldwide. Many countries, including Ireland, have placed a major focus on human capital development and investment in education and training in order to raise their skills profile, productivity and attractiveness to foreign direct investors while also supporting the skills needs of our own indigenous enterprise sector.**

The demand for and availability of skills is impacted by a range of issues including economic performance, growth and decline in particular sectors, investment, demographic change, changes in the skills required for particular occupations, skills deficiencies in the population generally as well as the availability of unemployed people and people who are not currently participating in the labour market with unused skills. The economy and the labour market is constantly evolving and the specific occupations, skills and qualifications that are required have continued to change over time.

The increasingly interdisciplinary nature of the world of work is also resulting in overlaps in the skills required across different sectors and occupations. Enterprise is also increasingly placing greater emphasis on the need for transversal and cross sectoral skills in the workplace.

To remain competitive the workforce has to be equipped with the skills for the jobs of today and the jobs of tomorrow. While we cannot always predict what changes technology may bring to the workplace, nor what specific skills will be needed, we can take measures to ensure that people are equipped with the basic skills and competences needed to play an active role in society. We also need to take measures to ensure we have a quality and reliable system in place to identify and react to the diverse skills needs of the economy as they arise.

Continuing on from the progress made in previous years, a considerable amount of work has been undertaken over the past year to identify and address skills gaps that have arisen in various sectors and to work towards providing a system for responding to other existing and future skills gaps.

The first *Action Plan for Education, 2016-2019* was launched in September 2016. The central vision contained in the plan is to make the Irish education and training system the best in Europe over the next decade.

The new *National Skills Strategy 2025*, published in January 2016, sets out a vision for the period up to 2025 of how Ireland can continue to develop relevant skills and ensure that our supply of skills is activated and effectively used. This will include formally setting out our structures at national and regional level to produce and disseminate good practice. Under the *National Skills Strategy* we will develop a new National Skills Council.

The Council will oversee research and provide advice on the prioritisation of identified skills needs and how to secure the delivery of identified needs. Information will be provided to the Council from a range of sources, including the Expert Group on Future Skills Needs, the Skills and Labour Market Research Unit in SOLAS and the innovative Regional Skills Fora established in 2016, which form a key part of this new skills architecture.

Following a number of years of decline, registrations in the 27 existing apprenticeship trades are rising as the employment and economic situation improves. As economic activity continues to strengthen, registrations are forecast to continue to increase in these trades in the coming years – 4,147 in 2017 and 4,697 in 2018. The *Programme for a Partnership Government* commits to reaching 100 apprenticeship and traineeship schemes delivering 31,000 apprenticeship registrations and 19,000 traineeship places between now and 2020, which represents an annual average of 6,000 apprenticeships and 4,000 traineeships.

The capacity to attract talent is now becoming one of the most important factors impacting on job-creation in economies not just in Ireland, but also internationally. Demand for skills continues to grow with 56,500 jobs created in the year to Q3 2016. Given our commitment to add 200,000 jobs by 2020 and the tightening labour market, we also need to start considering measures to attract back our emigrants and increase the labour market. Ireland has developed a significant competitive advantage as a magnet for world-class talent.

Through our sustained focus on ensuring Ireland remains an attractive place to live and work we will further enhance Ireland's status as a hub for high skills. We will ensure we have the people and talent needed to meet enterprise needs, drive future growth and achieve sustainable improvements in living standards.

The importance of connecting with our diaspora around the world is recognised across Government and we will take practical steps to encourage our emigrants to return home. In June 2016, we launched Tech/Life Ireland, a new national initiative to brand Ireland as a top destination to pursue a career in technology.

This new initiative, which provides a single, focal point for information geared to making moving easier for talented professionals and their families, will help attract up to 3,000 top tech professionals to Ireland each year. Industry is playing an important role in supporting the initiative and driving its development.

Ireland has a tightly focused economic migration system to meet demand for specific skills in the shorter term. The Employment Permits system acts as a conduit for key skills which are required to develop enterprise in the State while simultaneously protecting the balance of the labour market. By design it is pro-cyclical, expanding and contracting in tandem with fluctuations in the economy.

The system is ordered through a list structure to prioritise particular capabilities. The lists, which identify critical skills, and skills for which there is ample capacity already in the resident labour market, are reviewed on a bi-annual basis, to keep the orientation of economic migration firmly in step with the precise needs of the labour market. It is also designed to serve the skills needs of the economy without disruptively depressing or inflating wage levels in the wider labour market.

Ensuring Ireland remains an accessible, appealing and welcoming destination for in-demand, high skilled overseas talent is a core focus of our activity in 2017.

### Delivering Skills for a Growing Economy









|    |   |
|----|---|
| 67 | Monitor and progress the actions and recommendations from the <i>National Skills Strategy 2025</i> , which provides the framework for skills development to support long term sustainable growth.<br>(DES, other Departments, agencies, employer representative bodies, enterprise, NSC, RSF) |
| 68 | Support and strengthen the apprenticeship and traineeship systems through enhancing the range of courses and providing 4,947 apprenticeship places and 2,600 traineeships.<br>(SOLAS, Apprenticeship Council, DES, HEA, HEIs)   |
| 69 | Develop a Further Education and Training policy framework for employee development to guide Education and Training Board activity to support skills development for those in employment, in consultation with partners, aligning with the <i>National Skills Strategy</i> .<br>(SOLAS)        |



|    |   |
|----|---|
| 70 | Deliver the skills for a growing economy and increase labour market participation through the Skillnets programmes for ICT, bio-pharma, life sciences and med tech.<br>(Skillnets)  |
| 71 | Implement the Foreign Languages in Education Strategy, which will focus on and support increased levels of participation and competence in language learning at all levels.<br>(DES, HEA, NCCA)   |
| 72 | Implement the <i>ICT Skills Action Plan 2014 – 2018</i> through strengthened collaboration between Government, the education system and industry and as part of the goal of making Ireland the most attractive location in the world for ICT skills and ability.<br>(HEA, DES, HEIs, employers)   |
| 73 | Create a greater diversity of learning opportunities beyond school through competitive calls for Springboard courses.<br>(HEA, DES, HEIs, employers)  |
| 74 | Improve the dissemination of skills requirements and labour market intelligence, nationally and regionally, to inform dialogue between providers and employers and to underpin the provision of relevant skills development opportunities through the establishment of the National Skills Council.<br>(NSC, EGFSN, SOLAS (SLMRU), DES, RSF, DJEI)  |
| 75 | Implement the objectives in the <i>Action Plan for Education 2016-2019</i> .<br>(DES)   |
| 76 | Enact the Technological Universities Bill to underpin the development of a new model of higher education in Ireland.<br>(DES)   |
| 77 | Further scale initiatives to encourage young people and the wider population to participate in STEM disciplines and to raise awareness among the public through broadcasting about STEM, the Smart Futures website and initiatives with industry.<br>(SFI)  |
| 78 | Increase the permitted residence period for high performing students who attain a post graduate award at Levels 9 and 10 to up to two years' residence in the State for the purpose of securing employment. Graduates at Level 8 will be permitted one year's residence.<br>(DJE)   |
| 79 | Ensure the Employment Permits System remains aligned with labour market needs.<br>(DJEI)  |
| 80 | Undertake a remuneration review to provide clearly defined criteria for use in an evidence based setting of remuneration thresholds for employment permits.<br>(DJEI)   |
| 81 | Develop and publish the 2017 Further Education and Training Services Plan which will provide detail of all SOLAS funded FET provision and funding provided to agencies and bodies to support the FET sector. The skills needs at national level will be informed by the recommendations of the <i>National Skills Strategy</i> and the regional skills needs identified by the Regional Skills Fora.<br>(SOLAS, ETBs) |



# Regional Skills Fora

| Region  | Priority Areas identified by the Regional Skills Fora  |
|---|--|
| <b>Border (NW&amp;NE)</b>  | <ul style="list-style-type: none"> <li>&gt; Retail</li> <li>&gt; Financial Services</li> <li>&gt; Sales and Digital Marketing</li> <li>&gt; Manufacturing</li> <li>&gt; Transport</li> <li>&gt; Food</li> <li>&gt; Construction</li> </ul>   |
| <b>Dublin</b>              | <ul style="list-style-type: none"> <li>&gt; Hospitality</li> <li>&gt; Construction</li> <li>&gt; Biopharma</li> <li>&gt; Fintech</li> <li>&gt; Retail</li> </ul>   |
| <b>Mid East</b>           | <ul style="list-style-type: none"> <li>&gt; Agri Food</li> <li>&gt; Film/Audio Visual</li> <li>&gt; Construction</li> <li>&gt; Hospitality</li> <li>&gt; Manufacturing</li> <li>&gt; Equine</li> </ul>   |
| <b>Mid West</b>          | <ul style="list-style-type: none"> <li>&gt; Engineering/Manufacturing</li> <li>&gt; ICT</li> <li>&gt; Aviation</li> <li>&gt; Biopharma/Medtech</li> <li>&gt; Hospitality</li> <li>&gt; Financial Services</li> <li>&gt; Film</li> </ul>  |
| <b>Midlands</b>          | <ul style="list-style-type: none"> <li>&gt; Biopharma/Medtech</li> <li>&gt; Robotics</li> <li>&gt; Construction</li> <li>&gt; Food Tech</li> <li>&gt; Hospitality</li> <li>&gt; Welding</li> <li>&gt; Manufacturing/ Engineering</li> <li>&gt; ICT</li> <li>&gt; Fintech</li> </ul>                    |
| <b>South East</b>        | <ul style="list-style-type: none"> <li>&gt; Medtech/Pharma</li> <li>&gt; Engineering/Manufacturing</li> <li>&gt; Hospitality</li> <li>&gt; Animation</li> <li>&gt; Agri Food</li> <li>&gt; Global Business Services</li> <li>&gt; Construction</li> <li>&gt; Design and Creative Industries</li> </ul> |
| <b>South West</b>        | <ul style="list-style-type: none"> <li>&gt; Manufacturing/Engineering</li> <li>&gt; ICT</li> <li>&gt; Medtech</li> <li>&gt; Agritech, Biopharma</li> </ul>   |
| <b>West</b>              | <ul style="list-style-type: none"> <li>&gt; Hospitality</li> <li>&gt; Sales</li> <li>&gt; Medtech</li> <li>&gt; ICT</li> <li>&gt; Marine and Creative Arts</li> </ul>  |

# CASE STUDY

## Tech/Life Ireland

Tech/Life Ireland is a new national initiative to brand Ireland as a top destination to pursue a career in technology. It was launched in June 2016 by the Minister for Jobs, Enterprise and Innovation, Mary Mitchell O'Connor, T.D.

Tech/Life Ireland is funded by the Department of Jobs, Enterprise and Innovation and is being delivered in partnership with Enterprise Ireland, IDA Ireland and the tech industry to help attract top tech professionals to Ireland each year.

If Ireland is to continue to win overseas investment in ICT-related jobs, and to grow the strong base of Irish-owned companies in ICT and related areas, we need to ensure that we have a sufficient supply of talent to meet the needs of enterprises. Supplementing the supply of our own excellent graduates with overseas talent will add to the overall diversity, knowledge base and experience in the ICT workforce.

Tech/Life Ireland is a focused international marketing initiative with a dedicated website, [www.techlifeireland.com](http://www.techlifeireland.com). The Tech/Life Ireland brand was developed based on extensive interviews with international tech talent to understand their motivations for relocation – key themes of Job Challenge, World-Class Peer Group, Career Scope, and Diverse, Positive Workplaces were emphasised throughout. The Tech/Life Ireland website and digital platform will provide information about the tech environment and careers in Ireland, as well as practical advice about moving to Ireland and its lifestyle benefits.

The Government, through the Department of Jobs, Enterprise and Innovation and Enterprise Ireland, is investing €1.9 million in the initiative over a three year period. Industry is playing an important role in supporting the initiative and driving its development.

The need for the Tech/Life project was identified in research undertaken by the Expert Group on Future Skills in 2012. The Tech/Life Ireland portal is an action included in the Government's ICT Skills Action Plan.

A key determinant of the Top Tech Talent project's success is ensuring that relevant industry stakeholders (multinationals and indigenous companies) are fully engaged and active participants in the project. Their support is vital to building a resource which will attract top tech talent by creatively using digital and social media to showcase the great lifestyle, tech environment and job opportunities available in Ireland.

[www.techlifeireland.com](http://www.techlifeireland.com)



5

**Promoting  
Innovation**

**Innovation has played a key role in securing Ireland's economic recovery to date. It plays a vital role in driving productivity growth and fostering competitiveness in a global world, where knowledge and innovation are critical factors for advanced economies. Innovation contributes significantly to employment, exports and investment, to the competitiveness of the indigenous enterprise base, to embedding the FDI base in Ireland, and to the creation and application of new knowledge and technology transfer.**

*Innovation 2020*, our national strategy for research and development, science and technology, sets a vision for Ireland to become a Global Innovation Leader, creating an internationally competitive research and innovation system, driving a sustainable economy and, ultimately creating a better society. We have already made significant progress in developing our national innovation system. We have successfully built up research capacity and now have a significant reputation for research excellence along with an increasing cohort of enterprises that are RDI and innovation active. We will build on this progress as we implement the commitments in *Innovation 2020* to meet the various targets including the headline target of reaching an RDI intensity rate of 2.5 per cent of GNP by 2020.

Innovation is central to a resilient and internationally competitive enterprise base. Together with Science Foundation Ireland, Enterprise Ireland and IDA Ireland, we will drive and support greater engagement in RDI by both Irish and foreign owned enterprises and by both SMEs and large scale enterprises. We will respond to the changing needs of the enterprise sector and will tailor our supports to meet these needs.

We will continue to target our investment at strategically important areas of commercial opportunity for enterprise to achieve innovation leadership in key sectors where we can sustain a competitive edge.

We will enhance supports for the transfer of knowledge from our public research system to enterprise to deliver research outputs with greater commercial potential.

As the European country with the highest proportion of young people, we have the opportunity to nurture talent to best serve the needs of the research community, our society and economy. Through Science Foundation Ireland we will develop this talent and show young people the opportunities open to them in the new knowledge-based sectors of our economy. We will support researchers at all stages of their career development and provide practical means to facilitate mobility between academia and enterprise.

In the area of intellectual property, we will proactively engage with and respond to new challenges in the digital market context, support the deepening of innovation, including at enterprise level, and contribute to meeting societal needs by strengthening our comprehensive legislative framework for intellectual property rights at domestic, EU and international level.

We will grow Ireland's contribution to international research through participation in international research organisations and Horizon 2020 to secure funding and offer researchers and companies the opportunity to collaborate with world leaders in academia and enterprise.

| Promoting Innovation |   |
|----------------------|---|
| <b>82</b>            | <p>Enhance and support business RDI investment and capacity of both Irish and foreign owned enterprise to achieve the <i>Innovation 2020</i> targets; this will include optimising, simplifying and rebranding Enterprise Ireland's in-company support, rolling out a new Business Innovation Initiative and by enterprise agencies working with companies to ensure they are equipped to exploit disruptive and emerging technologies.</p> <p style="text-align: right;">(EI, IDA, SFI)</p>      |
| <b>83</b>            | <p>Build Intellectual Property Capability and strengthen Intellectual Property Management in indigenous enterprise by developing a new financial support to assist SMEs and developing an approach for measuring Intellectual Property activity in the firm base.</p> <p style="text-align: right;">(EI, DJEI, relevant agencies)</p>   |
| <b>84</b>            | <p>Drive innovation procurement activities through the implementation of a new Small Business Innovation Research initiative and by identifying and developing a systematic approach to innovative public procurement.</p> <p style="text-align: right;">(EI, public bodies, OGP, DJEI)</p>   |
| <b>85</b>            | <p>Provide advice through the newly established Innovation Office on regulatory requirements and general guidance on technical or scientific issues to any individual or organisation that may be developing innovative health products or technologies, with a particular focus on academic researchers and early stage developers in start-up companies and SMEs.</p> <p style="text-align: right;">(HPRA)</p>  |
| <b>86</b>            | <p>Establish an Advisory Office (currently in pilot phase) to provide national scientific and regulatory advice to companies for the development of human medicinal products.</p> <p style="text-align: right;">(HPRA)</p>  |
| <b>87</b>            | <p>Increase collaboration between enterprise and the health sector leading to the development and commercialisation of new healthcare technologies, products and services and to facilitate the health system to find efficiencies and improvements through Health Innovation Hub Ireland by selecting and supporting projects emerging from open and focused calls that create solutions to identified problems/challenges.</p> <p style="text-align: right;">(HIHI)</p>                         |
| <b>88</b>            | <p>Drive increased collaboration between enterprise and the public research system by increasing the pool of researchers strongly positioned to take up employment in industry in Ireland, supporting over 850 industry-led collaborative research projects, developing a cadre of "industry ready researchers" to increase SME capability, and enhancing the skills of PhD students to meet the demands of industry and academia.</p> <p style="text-align: right;">(SFI, EI, DoD, DES, IRC)</p> |
| <b>89</b>            | <p>Strengthen the ecosystem of research and technology centres and technology gateways to enhance the competitiveness of enterprise including by reviewing the first seven research centres, launching new research and technology centres in areas of demonstrated enterprise need and developing a plan for the next phase of the technology gateway programme.</p> <p style="text-align: right;">(EI, IDA, SFI, Teagasc)</p>   |
| <b>90</b>            | <p>Implement specific actions in <i>Innovation 2020</i> which will support the development of excellent researchers, world-leading research teams, equipment and facilities across the public research system.</p> <p style="text-align: right;">(DJEI, DES, SFI, EI, HEIs, other stakeholders and funders)</p>   |

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| 91 | <p>Ensure RDI supports meet enterprise needs and are readily accessible by finalising a review and streamlining the range of State financial aid for RDI and by promoting the benefits of carrying out RDI including raising awareness to increase the level of collaboration across all sectors.</p> <p style="text-align: right;">(DJEI, EI, IDA, SFI and other research funders)</p>   |
| 92 | <p>Develop proposals to put in place a new cycle of Research Prioritisation to align innovation investment with enterprise opportunities through assessment of progress and impact of the current cycle, finalisation of a market horizon scan and identification of technologies that are critical to Ireland's economic and social development.</p> <p style="text-align: right;">(DJEI)</p>  |
| 93 | <p>Drive research and innovation in advanced manufacturing by developing the necessary research skills and capacity and by progressing the identified need for Research Technology Organisation support.</p> <p style="text-align: right;">(SFI, IDA, EI, DJEI)</p>   |
| 94 | <p>Drive EU and international research collaboration to maximise the impact of investment in research and innovation including through new international research partnerships, securing €12 million in product development contracts for Irish based companies from the European Space Agency, and by Enterprise Ireland continuing to lead the national drive to secure €1.25 billion in funding for Irish companies and academics by 2020.</p> <p style="text-align: right;">(SFI, DJEI, DAFM, HRB, EI)</p>  |
| 95 | <p>Support knowledge transfer by implementing a successor to the current Technology Transfer Strengthening Initiative, delivering on targets for the transfer of economically valuable research outputs to enterprise, from all publicly-funded research, through the knowledge transfer infrastructure supported by Knowledge Transfer Ireland (KTI), reviewing the operations of KTI, finalising and implementing a 2017-2021 strategy for KTI, and by establishing a KTI Industry Connectors group to increase quality engagement and collaboration between companies and publicly funded research and technology in the higher education sector.</p> <p style="text-align: right;">(EI, IUA, KTI)</p> |

A large, stylized number '6' is the central focus. It is composed of several overlapping shapes in shades of light green and white, creating a modern, layered effect. The number is positioned on the left side of a dark blue horizontal band.

6

# Stimulating Regional Growth

## 6.1 Regional Enterprise Development

The goal of the Regional Action Plans for Jobs is to have a further 10 to 15 per cent at work in each region by 2020 and to ensure the unemployment rate is within one per cent of the State average. This is being achieved through a collaborative approach between public sector bodies and relevant private sector actors within each region, building on existing strengths and assets and identifying opportunities within each region.

There are eight Regional Plans - Midlands, South West, South East, Mid-West, West, North East/North West, Mid-East and Dublin. Each Plan is overseen by a Regional Implementation Committee, comprising enterprise champions from the region, local authorities, LEOs and other key stakeholders and agencies. The Implementation Committees work closely with the Regional Skills Fora to deliver the employers' skills requirements in the regions. The Plans are flexible and dynamic to allow additional actions to be added as they emerge over the lifetime of each Plan.

The first progress reports for all eight regions were published in December 2016 and reflect the good work made to date within the regions in driving collaboration and creating a supportive environment for jobs growth in the regions. We are investing up to €60 million over the period to 2020 to support job creation across the regions through three competitive calls administered by Enterprise Ireland. We are also funding IDA Ireland's €150 million property investment programme to attract foreign direct investment into different parts of Ireland over a five year period. We will promote the development of a network of eHubs to support remote working and small business growth (see Section 7.3).

### Delivering on our regional development goals

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| 96 | <p>Progress the implementation and monitoring of the Regional Action Plans for Jobs, including promotion of cross regional collaboration and of best practice exemplars. In particular the Regional Action Plans for Jobs will respond proactively to economic developments that have specific impacts on regions, such as Brexit and the Border region, through facilitating and encouraging the development of collaborative initiatives in the areas of entrepreneurship, capability development and mentoring, together with sector and cluster initiatives that could be successful in competitive calls for funding.</p> <p style="text-align: right;">(DJEI, other relevant public bodies)</p> |
| 97 | <p>Support all eight Regional Action Plans for Jobs and provide investment of up to €60 million over the period to 2020 to support collaborative approaches to boost enterprise and job creation across the regions. This competitive funding is aimed at accelerating economic recovery in every part of the country by delivering on the potential of local and regional strengths.</p> <p style="text-align: right;">(EI, DJEI)</p>  |
| 98 | <p>Complete construction of three new advance buildings in Sligo, Castlebar and Tralee and develop three new advance buildings in Limerick, Dundalk and Galway.</p> <p style="text-align: right;">(IDA)</p>   |
| 99 | <p>Support the creation of 500 new jobs in 2017 and continue to help maintain existing jobs in Údarás na Gaeltachta client companies in the Gaeltacht, including through supports for post-research and pre-commercialisation units in the life sciences, food and business support services and creative enterprises sectors, as well as for community development initiatives.</p> <p style="text-align: right;">(DAHRRGA, ÚnaG)</p>  |



# Regional Action Plan for Jobs

Example of impactful actions to deliver on our regional potential

## Mid-West

- Develop a series of loops off the Wild Atlantic Way encouraging a greater spread of visitors, alleviating high traffic pressures and presenting complementary visitor experiences.
- Build an advanced technology building in Limerick.
- Develop the iconic city centre “Hanging Gardens” site as a landmark quality office offering for both multinationals and indigenous clients, through collaboration between Limerick City and County Council and the private sector.



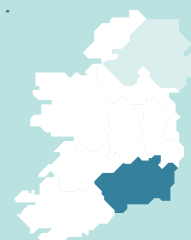
## South West

- Establish the Munster Technological University through stakeholder engagement.
- Produce an action plan for the Kerry Tourism Strategy.
- Provide appropriate scientific content to underpin the visitor experience along the Wild Atlantic Way, ensuring provision through mobile communication technologies.



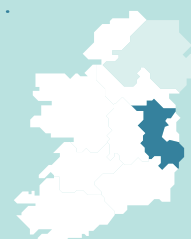
## South East

- Strengthen the commercialisation of research in third level institutions and translate into jobs on the ground by supporting partnering with entrepreneurs/ business championing.
- Build an advance technology building in the region to provide a high quality property solution and to attract new FDI.
- Build on progress achieved to further develop a Technological University for the South East.



## Mid-East

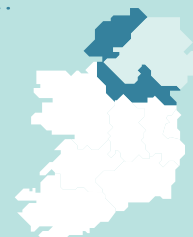
- Establish a Mid-East Region forum bringing together enterprise development agencies, HEIs and technology transfer offices, and industry representatives to identify and exploit development opportunities.
- Develop an awareness initiative campaign ‘Work Where You Live’, targeted at commuters, encouraging entrepreneurs to stay in the region to set up a business.
- Investigate the potential by Maynooth University for the development of a research and innovation centre in the Mid-East focused on business opportunities linked to climate change.



## North East/North West

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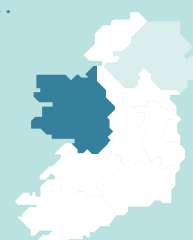
- › Explore the potential for a digital payments cluster along the M1 Corridor developing areas of expertise, building on existing strengths and identifying second site solutions.
- › Build a new advanced building in Sligo and Dundalk.
- › Continue the Údarás na Gaeltachta building and refurbishment programme to support the attraction/expansion of indigenous investment and FDI in the region.



## West

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- › Develop the industrial zone of Monksland as a biopharma/medtech hub including the development of a seven-unit incubator hub.
- › Build a new advanced technology building in Galway.
- › Continue to support Mayo Ideas Week, established in 2010 as an annual event comprising a series of idea generation, entrepreneurship and business events hosted by development and enterprise support agencies and other organisations across Mayo.



## Midlands

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- › Build a second facility in Athlone following the completion and occupation of the advance technology facility in Garrycastle.
- › Develop a Regional Energy Hub in the Midland Region in tandem with a cluster of demonstration projects.
- › Bring into operation the Low Frequency Array (LOFAR) telescope in Birr Castle, Co Offaly, driving innovations in information technologies and enhancing the area's reputation as an attractive location for ICT-based companies, promoting science education and tourism in the Midlands.



## Dublin

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- › Create a Dublin region network of start-up incubators and accelerators aimed at boosting the number and success rate of technology entrepreneurs among university students and graduates.
- › Prioritise the Dublin Region as a world leader in urban solutions by building on strengths within Smart Cities and the Internet of Things and launch a series of open calls for new solutions to the challenges faced by cities.
- › Roll out a Dublin Internet of Things Demonstrator/living lab led through the CONNECT centre for future networks and communications demonstrating the use of low cost sensing operated on a city scale.



## 6.2 Supporting Jobs for Rural Communities

The *Programme for a Partnership Government* contains a series of commitments to revitalise rural Ireland and ensure that the benefits of economic recovery are felt in all areas of the country. Improving the economic performance of the regions, including through the Regional Action Plans for Jobs, will provide the basis for increased opportunities and jobs potential in rural areas.

In addition, the Government's new *Action Plan for Rural Development 2017-2019* contains over 270 measures to maximise the potential for economic and social progress in rural areas. The Action Plan will act as an overarching structure for the co-ordination and implementation of initiatives across Government that will benefit rural Ireland. Progress Reports on the implementation of the Plan will be published every six months.

A number of funding initiatives will be delivered to support the development of rural communities and villages, including through the Town and Village Renewal Scheme which has funding of €12 million for 2017, the 2014-2020 EU LEADER programme which has a budget of €250 million up to 2020, and National Rural Development Schemes with a budget of €15.3 million for 2017.

Other actions being taken in this Action Plan for Jobs – particularly in relation to agri-food and marine (see Section 9.1), tourism (Section 9.2) and entrepreneurship (Section 3.4) – will also support jobs for people living in rural parts of Ireland.

### Supporting jobs for rural communities

|     |  |
|-----|--|
| 100 | Launch and implement the <i>Action Plan for Rural Development</i> , with over 200 actions across Government which will maximise the potential for jobs and economic and social progress in rural areas.<br><br>(DAHRRGA and relevant public bodies)                                  |
| 101 | Provide EU LEADER programme funding in support of the enterprise priorities identified in the Local Development Strategies produced by Local Action Groups in every county, including through focused investment in enterprise development and rural tourism.<br><br>(DAHRRGA, DJEI) |
| 102 | Through the Town and Village Renewal Scheme, support the revitalisation of towns and villages to improve the living and working environment for rural communities and increase the potential to support increased economic activity.<br><br>(DAHRRGA)                                |
| 103 | Through the Rural Recreation Scheme, provide funding for new recreation infrastructure and the maintenance of existing infrastructure to support the creation and retention of jobs in rural areas.<br><br>(DAHRRGA)   |





**7**

**Enhancing  
Competitiveness**

**Ireland’s improving competitiveness performance over the period 2011-2016 has been central to the recovery in employment and economic growth. While some of this reflects the significant policy reforms delivered through the Action Plan for Jobs, and a range of other initiatives, external factors – low energy prices and the weak euro – are currently boosting Ireland’s international cost competitiveness. While these factors are currently working in our favour, they can be quickly reversed, eroding the gains made to date.**

The National Competitiveness Council (NCC) in its annual submission on the priorities for the Action Plan is particularly concerned that as growth gathers pace, there are clear threats that could undermine the sustainability of Irish growth. We must maintain our focus on improving the competitiveness factors within our control. Enhancing competitiveness is the route to economic growth and improving living standards and public services.

As a small open economy, dependent on exports and foreign investment as major drivers of growth, any deterioration in our cost competitiveness will have a major negative impact on economic growth, employment and our standard of living. More broadly, a competitive cost base can help to create a virtuous circle between inflation, wage expectations and productivity. Of particular concern is the rise in both commercial and residential property costs. We are addressing these issues through a suite of measures in *Rebuilding Ireland - Action Plan for Housing and Homelessness*, which we launched in July 2016 (see Section 9.6).

Another key cost competitiveness issue is the cost of insurance. That is why we established a Cost of Insurance Working Group, which was tasked with examining the factors contributing to the increasing cost of insurance and identifying measures to help reduce the cost for consumers and businesses. We published the *Cost of Insurance Working Group – Report on the Cost of Motor Insurance* in January 2017, which makes 33 recommendations with 71 associated actions. Its focus includes improving data availability and the personal injuries claim environment, and reducing the costs in the claims process and fraud. The Working Group will now turn its focus to other areas of the non-life insurance market and further reform.

Productivity is a key driver of national competitiveness. Improving levels of labour and capital productivity enables enterprises to improve their efficiency and profitability, and enhances the ability of countries to maintain international competitive advantage and sustainably improve living standards. Productivity growth depends on the performance of individual firms. We will provide supports through our Lean programmes to help companies to increase productivity (see Section 3.1).

### Enhancing competitiveness

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|-----|--|
| 104 | <p>The National Competitiveness Council’s priority issues for sustainable competitiveness over the short to medium term will be brought to Government. Individual Government departments will respond and bring forward proposals as appropriate to enhance competitiveness. This work will be overseen by the relevant Cabinet Committees.</p> <p style="text-align: right;">(D/Taoiseach, all Departments)</p> |
| 105 | <p>Implement the Cost of Motor Insurance Action Plan.</p> <p style="text-align: right;">(DoF)</p>  |

## 7.1 Improving the ease of doing business

Improving the ease of doing business offers the greatest potential to enhance our competitiveness, as improving administrative processes and practices is generally within the control of public bodies and does not necessarily require investment.

Easing the administrative burden that regulations create can improve the business environment by reducing costs, minimising the time businesses spend fulfilling regulatory requirements and increasing productivity. Ensuring that the State does not place undue administrative burdens and costs on entrepreneurs and business owners is critical and has been a key area of focus and action in previous Plans.

Ensuring that we have the systems in place across Departments and agencies to support a fast-growing economy.

In 2017, we will continue our focus on measures to reduce the administrative burden on business. We will bring all Government services online by November 2017, which will particularly ease the burden on small businesses and start-ups and we will develop an SME test to ensure that policymakers “Think Small First” when considering new proposals that will have an impact on enterprise.

| Improving the ease of doing business |  |
|--------------------------------------|--|
| 106                                  | Provide updates each quarter on progress achieved towards the Government’s commitment to make all licensing, authorisation, certification, permit application, and payment-taking procedures for business fully available online on a progressive basis by November 2017.<br><br>(all relevant Departments, DJEI, LGMA)              |
| 107                                  | Develop an easy user friendly SME test suitable for the Irish context to ensure policymakers “Think Small First”.<br><br>(DJEI)  |
| 108                                  | Increase the level of online applications and computerised applications and payment systems from 75 per cent to 80 per cent for 2017 Basic Payment Scheme applications to reduce compliance burden for farmers.<br><br>(DAFM)  |
| 109                                  | Invest at least €100 million in energy projects to improve efficiency, and reduce carbon emissions and our overall dependence on imported fossil fuels.<br><br>(DCCAE)   |
| 110                                  | Create awareness of the benefits of standards to Irish businesses particularly in relation to improving competitiveness, and reach out to industry and researchers to engage in international standardisation activities related to future manufacturing technologies for businesses of all sizes.<br><br>(NSAI)                     |
| 111                                  | Work to increase recognition among businesses of the value of sustainable business practices and corporate social responsibility in boosting employment, fostering social cohesion and protecting the environment, in particular through the Corporate Social Responsibility Stakeholder Forum.<br><br>(DJEI, CSR Stakeholder Forum) |

## 7.2 Workplace Innovation – Building Resilience and Growing Jobs

Building resilience and achieving and sustaining world-class levels of performance and innovation requires an integrated approach to investment in new technologies, skills and empowering workplace practices.

Workplace innovation is about the systematic adoption of workplace practices, grounded in evidence, that unleash employee-led knowledge, skill and innovation at every level of the organisation, and is recognised as one further method to help retain and ultimately increase employment in firms.

Workplace innovation is an integral part of organisation design and innovation, of preparing for technological changes impacting firms and workers, and responding to market challenges.

Evidence shows that workplace innovation leads to significant and sustainable improvements both in organisational performance and in employee well-being and engagement.

DJEI, working with the Workplace Relations Commission, the enterprise development agencies, and with wider employer and employee stakeholders will develop an approach and toolkit as a resource for ambitious firms to innovate and compete and to demonstrate that workplace innovation can play a role in improving competitiveness, growth and job creation.

| Workplace Innovation |   |
|----------------------|---|
| 112                  | <p>Develop a toolkit and checklist for enterprises to develop sustainable plans for workplace innovation, with the objectives of sustaining and growing firm level competitiveness, innovation and employment.</p> <p style="text-align: right;">(DJEI, WRC, enterprise agencies)</p> |
| 113                  | <p>Roll out a pilot of enterprises across key sectors of the economy, to exemplify good practice and new ways of working, with employer and employee stakeholders.</p> <p style="text-align: right;">(DJEI, WRC, enterprise agencies)</p>   |



## 7.3 Realising the Digital Economy Opportunities

The rollout of Ireland's broadband intervention strategy will provide 85 per cent of premises with access to high speed broadband services of at least 30 Mbps by 2018 and all premises by 2020.

This will mark a critical juncture in Ireland's development, offering the potential for an inclusive information society and a digital economy where enterprises, individuals and the public sector can harness the wide range of benefits of the new wave of advanced digital technologies – significant productivity growth, improved global competitiveness, increased innovation and exports, more and higher quality jobs, better and more efficient public services, enhanced quality of life and prosperity for citizens.

To take full advantage of these benefits, Ireland needs to ensure that the enabling conditions are in place. This, however, is a complex policy environment involving a number of Government Departments and agencies across a wide range of issues and will require an integrated, whole of Government approach.

Specific policy issues that arise include data protection, cybersecurity, interoperability and standards, digital literacy and skills, research, development and innovation, broadband access and regulatory coherence.

*Enterprise 2025* sets our ambition to become a Digital Hotspot and Ireland currently ranks eighth in the EU Digital Economy and Society Index. By adopting a coordinated, whole of Government approach Ireland could achieve a top five ranking within the next five years.

### Regional eHubs

The digital economy presents a unique opportunity to transform our enterprise potential in regions, smaller towns and rural areas, through the development of hubs for eWorking and collaboration facilitated by high capacity broadband connectivity.

We will promote the development of a network of eHubs throughout the regions to support eWorking, entrepreneurship and small business growth, developed through local enterprise initiatives, local authorities, LEOs and the enterprise development agencies.

### Future of Work

Rapid technological advances have given rise to new ways of working which challenge our traditional view of the world of work including the employer-employee relationship. This new world presents us with opportunities and challenges, as we embrace the flexibility and competitive advantage offered by new technologies while seeking to strike a balance with the need to ensure continued employment rights protections.

In 2017, the Department of Jobs, Enterprise and Innovation will host a conference on the Future of Work which will bring together policy makers and key stakeholders from industry and academia to address the challenges to the traditional employer/employee relationship posed by the new world of work. The conference will also mark the occasion of Ireland taking a seat for the first time on the Governing Body of the UN's International Labour Organisation.

## Realising the Digital Economy Opportunities

|     |   |
|-----|---|
| 114 | <p>Establish Ireland as a European leader in the digital economy by ensuring a coordinated whole of Government approach to pursuing the economic opportunities.</p> <p>(D/Taoiseach, DJEI, other relevant Departments)</p>  |
| 115 | <p>Award the contract to the winning bidder(s) to deliver a high speed broadband network to over 750,000 premises in Ireland.</p> <p>(DCCAIE)</p>   |
| 116 | <p>Develop proposals in consultation with other stakeholders on the establishment of unique business identifiers and an access and authentication portal which will follow a prototype Government Digital Service Access Gateway to facilitate the development of business in Ireland by ensuring Ireland is well placed to actively participate in the developing European Digital Single Market.</p> <p>(OGCIO with relevant Departments)</p> |
| 117 | <p>Develop proposals in consultation with other stakeholders, which may include the need for legislation, to provide a mechanism regarding employments entailing access to sensitive data, for example, whereby an individual prospective employee may seek from An Garda Síochána a certificate stating their criminal history.</p> <p>(DJE)</p>   |
| 118 | <p>Roll out a further 1,000 Trading Online Vouchers through the LEOs and identify further initiatives to enable businesses to maximise the opportunities of the digital economy and trading online in international markets.</p> <p>(DCCAIE, LEOs/EI, DJEI)</p>   |
| 119 | <p>Host a conference on the Future of Work, which will bring together policy makers and key stakeholders from industry and academia to address the challenges to the traditional employer/employee relationship posed by the new world of work in an Irish context.</p> <p>(DJEI)</p>   |
| 120 | <p>Implement the <i>Digital Strategy for Schools 2015 -2020</i> to enhance teaching, learning and assessment.</p> <p>(DES, aegis Bodies)</p>  |
| 121 | <p>Implement the <i>Strategy for Technology Enhanced Learning in Further Education and Training, 2016-2019</i>, which builds on existing capacity and good practice in technology-enhanced learning, and expand access to and continuously improve and innovate further education and training provision.</p> <p>(SOLAS, ETBs, ETBI)</p>  |
| 122 | <p>Implement the recommendations of a <i>Roadmap for Enhancement in a Digital World 2015-2017</i>.</p> <p>(DES, HEA)</p>  |
| 123 | <p>Implement a new programme to provide basic digital skills training to citizens who have never used the internet and support them in taking the first step to get online.</p> <p>(DCCAIE)</p>   |
| 124 | <p>Develop and roll out a strategy for eHubs for entrepreneurship, eWorking and business growth as part of county development plans, linking effectively with local enterprise stakeholders and enterprise agencies and support the development of ambitious and sustainable proposals for success in competitive calls for funding.</p> <p>(DJEI, LAs, LEOs, EI, ÚnaG and IDA)</p>   |

# CASE STUDY

## Retrofit Sills Ltd

Paul O'Neill is a director of Retrofit Sills Ltd, a superior quality insulated windowsills manufacturer based in Co. Waterford.

After experimenting with insulated windowsill designs, Paul invented and patented insulated window sills. They are suitable for both new and existing buildings, thereby solving a major problem faced by the construction industry. As Paul began to focus on marketing his new product, he quickly recognised the need for a website to promote his products in the target markets of Ireland and the UK.

With support from his Local Enterprise Office in Waterford, Paul secured a Trading Online Voucher and developed a website that could be easily found by prospective customers. The company discovered that 10,000 people in the UK searched for sills every day with 2,000 of these using 'cills' as the spelling. Paul invested in Search Engine Optimisation to direct some of this traffic to his website.

The website is now a great reference point for information on installation guides and sizes and colours. This small local manufacturing business has doubled its sales and now employs three people with a growing market share in Ireland and the UK. Since their products can be easily accessed online, there is potential for countless markets further afield and the future is promising for Retrofit Sills Ltd.



[www.dccae.gov.ie/tradingonlinevoucher](http://www.dccae.gov.ie/tradingonlinevoucher)

## 7.4 Investing in Economic Infrastructure

High-quality infrastructure is an important element of a modern society and economy. It strengthens economic growth through enhancing efficiency, productivity and competitiveness. The relatively low levels of net investment projected over the medium term represent a significant challenge in light of demographic pressure, EU budgetary commitments and clear infrastructure deficits.

The 2015 Capital Plan, *Building on Recovery: Infrastructure and Capital Investment 2016-2021*, committed the Exchequer to €27 billion of expenditure on capital projects over the lifetime of the Plan. The aim is to supplement this with investment from the wider semi-state sector (€14.5 billion), and Public Private Partnerships (PPPs) (€500 million), bringing total state investment to €42 billion between 2016 and 2021.

We are preparing a new National Planning Framework (NPF), as a successor to the National Spatial Strategy. This will be a long-term twenty year strategy. We are also developing new Regional Spatial and Economic Strategies to replace the current set of Regional Planning Guidelines, which will have a 12 year lifespan.

The purpose of both the NPF and Regional Spatial and Economic Strategies is to set long-term national and regional development frameworks within which Government Departments and agencies, the regional assemblies and local authorities, as well as wider private sector and community interests, will work together to ensure proper planning and sustainable development and the optimal development of the country as a whole, nationally and regionally.

In line with the commitment in the 2016 *Programme for a Partnership Government* to a review of priorities and investment levels, we will undertake a mid-term review of the Capital Plan early in 2017. We will ensure that the principles of the NPF are reflected in the mid-term review of the Capital Plan to deliver our longer term goals of sustainable full employment and economic growth.

We will also continue to enhance our international air and sea connectivity, which is critically important to support our commitment to diversify into new markets for trade and investment.

### Investing for the future

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| 125 | Publish and start to implement the National Planning Framework and the Regional Spatial and Economic Strategies to ensure proper planning and sustainable development and the optimal economic and social development at a national and regional level.<br><i>(DHPCLG, all Departments, agencies, Regional Assemblies and Local Government)</i>   |
| 126 | Enhance Ireland's connectivity and grow our aviation sector, by supporting the development of the necessary infrastructure to facilitate new services and passenger growth at the three State airports including support for and improving access to the regions through Exchequer assistance for the regional airports at Donegal, Knock, Kerry and Waterford.<br><i>(daa, Shannon Group, DTTAS)</i> |
| 127 | Facilitate an effective and competitive market for maritime transport services to meet the needs of our trading economy.<br><i>(Dublin Port Company, Port of Cork Company, Shannon Foynes Port Company)</i>   |

## 7.5 Transitioning to a Low Carbon Economy

There is a strong economic dimension to the work underway to transition to a low carbon, climate resilient and environmentally sustainable economy. The 2014 National Policy Position identifies competitiveness as a pillar of the national transition objective i.e. transitioning to a low carbon, climate resilient and environmentally sustainable economy by the end of 2050. It sets out a number of key issues for consideration, including cost-effectiveness and the need to take advantage of environmentally sustainable economic opportunities both within and outside the State.

The Climate Action and Low Carbon Development Act 2015 provides a statutory basis for these and other key economic considerations to be taken into account in the development of a national mitigation plan and a national adaptation framework.

A mitigation plan, which will track implementation of measures already underway and identify additional actions in the longer term, must be approved by Government not later than the 10th June 2017.

We are also developing iterative national adaptation frameworks which will specify the national strategy for the application of adaptation measures in different sectors and by local authorities to reduce the vulnerability of the State to the negative effects of climate change and to exploit any beneficial opportunities that may arise.

The first national framework must be approved no later than the 10th December 2017. We will also progress the commitment in the *Programme for a Partnership Government* to establish a national dialogue on climate change in 2017.

It is vital that our natural energy resources continue to be developed to achieve the ambitious target we set out in the Energy White Paper, *Ireland's Transition to a Low Carbon Energy Future*, to reduce greenhouse gas emissions from the energy sector by 80-95 per cent below 1990 levels by 2050.

We have a number of policy measures and schemes in place to encourage the use and development of our renewable energy resources and recognise the need to diversify our renewable generation portfolio. We will implement the *Offshore Renewable Energy Development Plan*, which sets the framework for the sustainable development of our abundant offshore renewable energy potential.

We will also develop a national bioenergy plan to capture the potential of the biomass sector. Work is also underway to develop a new renewable electricity support scheme in 2017, which will seek to further encourage the development of Ireland's renewable energy resources.

Our traditional economic model has relied upon the relentless extraction of natural resources to fuel growth but resources are finite and the rising cost of scarcer raw materials is increasing the costs of production. If the inherent value of existing products, materials and resources can be retained for as long as possible, we can reduce the cost of inputs, improve competitiveness and boost jobs.

Such a 'circular economy' approach can secure jobs and boost competitiveness by maximising the reuse and recycling of resources, creating new business models, promoting innovation and fostering efficiency. This transition to a circular economy can also reduce environmental impacts, that are often associated with economic growth.

## Transitioning to a low carbon economy

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|-----|---|
| 128 | Progress work on the 'national transition objective' through the development and publication of the first statutory national mitigation plan and adaptation framework, exploiting any economic opportunities that may arise and establishing a national dialogue to consider key issues to be addressed in meeting the transition objective.<br><p style="text-align: right;">(DCCAE, other relevant Departments)</p> |
| 129 | Deliver policy supports to develop Ireland's indigenous renewable energy and further decrease our dependence on imported fossil fuels, including new support schemes for heat and electricity.<br><p style="text-align: right;">(DCCAE, other relevant Departments, agencies and public bodies)</p>   |
| 130 | Design and implement a national circular economy action plan that increases efficiency, promotes innovation, creates new business models, contributes to our environmental sustainability and enhances our green reputation.<br><p style="text-align: right;">(DCCAE, DJEI, other relevant Departments, agencies and public bodies)</p>   |



8

**Addressing  
New Labour  
Market  
Challenges**

**Since they were launched in 2012, the Action Plan for Jobs and *Pathways to Work* strategies have complemented each other as twin approaches to labour demand and supply respectively. This approach, which continues into 2017, has proven to be effective in bringing about a jobs recovery in a fall in unemployment and a reduction in the numbers on the Live Register.**

The unemployment rate has fallen from a high of 15.2 per cent in early 2012 to 7.2 per cent in December 2016. The numbers on the Live Register peaked at over 460,000 in July 2012 and as of December 2016 were 276,701.

One of our key objectives is to ensure that the increase in employment generated by the actions under this Action Plan translates into a reduction in the number of people dependent on jobseeker payments and in particular those who are in long-term receipt of jobseeker payments.

Towards this end, under *Pathways to Work* we developed a programme of activities to ensure that as many of the jobs created under the Action Plan for Jobs were and are filled by people taken from the Live Register. *Pathways to Work 2016-2020*, which was published in January 2016, reflects a shift from 'activation in a time of recession' to 'activation for a recovery'. Accordingly, *Pathways to Work 2016-2020* takes a two-pronged approach:

- Consolidation: consolidating the recent reforms to the Public Employment and Welfare Services and optimising provision to maximise outcomes for its clients; and
- Development: gradually expanding access to activation services, as resources allow, to other non-employed people of working age with the capacity and desire to work.

As in previous years, the actions in the *Pathways to Work* strategy will be reported separately.

Over the medium term, our objective is to ensure that all those who want a job are equipped with the skills to avail of job opportunities as they arise. We are progressing a number of measures to enable people to return or enter the labour market.

We announced the new Single Affordable Childcare Scheme as part of Budget 2017, which will streamline the existing targeted schemes to make them more accessible for both parents and providers.

The new scheme will help ensure that access to affordable childcare is not a barrier to labour market participation and narrow the gap in attainment between more and less advantaged children by enabling all children to access high quality, affordable childcare.

About 79,000 children will benefit from the new scheme in its first year including 25,000 children who will benefit from the universal subsidy. An estimated 54,000 will benefit from the targeted subsidies, including 22,500 new beneficiaries. Some of the new beneficiaries will already be availing of formal childcare but without any financial support from the State, at present.

We will provide €4.5 million in capital funding for the early years sector in 2017 to support strategic investment in capacity and a further €3 million to invest in capacity for afterschool childcare.

In September 2016, the Department of Justice and Equality issued a call for proposals under the EU Programme for Employability, Inclusion and Learning (PEIL) 2014-2020 for training under the women returning to the workforce strand. The training is targeted at women who are currently detached from the labour market and who are interested in entering/re-entering employment. There was also a call for women's entrepreneurship (see section 3.4). The funding available for the two initiatives in 2017 is €1.8 million.



People with disabilities are only half as likely to have a job as the population at large. In October 2015, we adopted a ten year *Comprehensive Employment Strategy for People with Disabilities 2015-2024* which sets out a strategic approach to promote employment of people with disabilities, with a particular focus on stemming flows into economic inactivity both from school leavers and from those experiencing the onset of a disability in the course of working life.

The strategy includes an action plan for the first three years with detailed targets and timeframes, including the target to progressively increase the statutory target of three per cent of employees with disabilities in the public sector towards six per cent by 2024. The latest data indicates that 3.5 per cent of staff employed in public sector bodies are people with disabilities.

The Workplace Relations Commission in consultation with relevant stakeholders is currently preparing a new draft Code of Practice to set out best industrial relations practice in managing the engagement between employers and employees in the run up to retirement. The Code will address the issue of longer working and requests to work beyond what would be considered the normal retirement age in the employment concerned.

### Addressing New Labour Market Challenges

|     |   |
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| 131 | Develop and reform the State's public employment services to help ensure that the number of people on the Live Register is reduced as the economy recovers and the labour market responds flexibly and efficiently to employment growth. Under <i>Pathways to Work 2016-2020</i> , this will include consolidation of previous reforms as well as continued prioritisation of long-term unemployed and young unemployed people; as well as expansion of services to currently inactive working age adults with a capacity and a desire to work, that will include lone parents, qualified adults and people with a disability.<br><br>(DSP) |
| 132 | Introduce the new Single Affordable Childcare Scheme, which will provide a single, streamlined and more user-friendly scheme, as part of a package to enhance the provision of quality and affordable childcare, which will support increased labour market participation.<br><br>(DCYA)  |
| 133 | Roll out training under the Women Returning to the Workforce Initiative, targeting women who are currently detached from the labour market and who are interested in entering/ re-entering employment.<br><br>(DJE)   |
| 134 | Implement the Government's <i>Comprehensive Employment Strategy for People with Disabilities</i> .<br><br>(DJE)   |
| 135 | Implement the Social Inclusion and Community Activation Programme (SICAP) which, as the primary social inclusion programme of Government, will have a strong focus on community activation, social inclusion and community development, while also focusing on those hardest to reach.<br><br>(DHPCLG, LCDCs, Pobal, relevant departments)  |
| 136 | Through the Dormant Account Funds, support disadvantaged groups in rural and urban communities through measures that assist their access to employment.<br><br>(DAHRRGA and other relevant Departments)   |

# CASE STUDY

## Youth Employability Initiative - Candle Community Trust

Candle was one of 28 projects to benefit from a Youth Employability Initiative (YEI) fund of €600,000 launched by the Department of Children and Youth Affairs in June 2016. The initiative targets those young people who are most at risk of unemployment and who are not in education, employment or training.

Candle Community Trust has a long standing history of working closely with the most marginalised and “at risk” young people in the Ballyfermot area and beyond through its varied programmes which consist of educational, developmental, therapeutic and recreational services. The YEI project based in Candle complements the existing knowledge and expertise within the organisation to meet the complex needs of the most at risk young people and be a strong vehicle in achieving social inclusion and empowering young people to strive for positive and lasting outcomes.

The YEI has been implemented within Candle since late July 2016 and during this time it has worked intensively with 32 young people on individual career action planning, interest profiling, résumé design and construction, employability skills workshops, provision of manual handling, safe pass courses and sourcing relevant work experience placements. The success of the initiative to date is evident in the number of young people succeeding in gaining either full-time or part-time employment - 12 of the 32 participants.

The individual attention and career action planning processes have led to the creation of great opportunities for self-reflection and growth amongst the participants as they get sufficient time for self-exploration, planning for their futures and identifying steps they need to take to progress. What has been really powerful in a lot of cases is just asking questions of the young people about their future which they have either never been asked before or have never given serious consideration to ‘the future’. There has been a huge caring element to this initiative in that it has opened doors to beneficial discussion about career paths but also other relevant and pressing areas of the young people’s lives.

As part of the YEI all 28 projects participate in a DCYA hosted learning forum which meets at key points throughout the pilot process. All projects also contribute to a national evaluation led by CES which seeks to capture the learning from the pilot in order to inform future initiatives and to achieve the best possible outcomes for young people. Meanwhile the respective ETBs support the projects at a local level.



The youth employability initiative has been embedded into the daily service provision and supports already in place for the young people in Candle. It has become a vital cog in meeting the organisation's objectives in terms of supporting young people to reach their potential in both educational, social and personal terms.



The individual attention and career action planning processes have led to the creation of great opportunities for self-reflection and growth amongst the participants

## Making Work Pay

The principal function of the Low Pay Commission, which was established in 2015, is to examine the national minimum hourly rate of pay annually and to make a recommendation to the Minister for Jobs, Enterprise and Innovation. The Low Pay Commission is also charged with submitting a report on the matters considered when making the recommendation.

The recommended increase in the minimum wage to €9.25 per hour came into effect on the 1st January 2017. The Low Pay Commission also undertakes additional research in relation to other related matters. In 2017, the Low Pay Commission has been asked to advise on the appropriate inflator to the board and lodging rates which are provided for under the National Minimum Wage Act 2000.

| Making Work Pay |  |
|-----------------|--|
| 137             | Undertake an analysis and make a recommendation on the appropriate level of the national minimum wage. (LPC)   |
| 138             | Examine and advise on the appropriate inflator that should be applied to the board and lodging rates provided for under the National Minimum Wage Act 2000 (National Minimum Hourly Rate of Pay) Order 2000 (SI No. 95/2000) and recommend new rates, taking into account the time that has passed since the current rates were set. (LPC) |

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9

**Strengthening  
Clusters**

## 9.1 Agri-Food and Marine

The agri-food sector is enjoying a period of strong performance. Food and drink companies currently account for a quarter of the ISEQ 20 index. Bord Bia estimates total food and drink exports of €11.15 billion in 2016, representing an increase of 41 per cent (€3.27 billion) in value since 2010. The fastest growing sub-sector was prepared foods, which increased by nine per cent in 2016. The beverage, pigmeat and sheepmeat sub-sectors increased by four per cent.

The UK's decision to leave the EU undoubtedly presents enormous challenges for the Irish agri-food sector. The UK is by far our largest trading partner. Ireland exported an estimated €4.13 billion worth of food and drinks to the UK in 2016. This represents 37 per cent of total food and drink exports, down from 41 per cent in 2015.

Among the sectors particularly dependent on the UK market are the prepared consumer foods category, beef, pig meat, poultry and horticulture. The share of exports to other EU market increased to 32 per cent in 2016, up from 31 per cent in 2015.

We will continue to implement *Food Wise 2025*, our ten year strategy for the agri-food sector which has five cross-cutting themes: sustainability, human capital, market development, competitiveness and innovation. In response to Brexit, we provided an additional €750,000 of funding for Bord Bia for marketing. Bord Bia also provided currency workshops and mentoring sessions with affected companies (see also Chapter 2).

Enterprise Ireland, which is responsible for food and drink FDI, will focus on capitalising on the opportunities identified during 2016, especially in North America, China and Europe.

We will also continue to support the development and growth of the marine sector.

### Realising the sectoral opportunities

|     |   |
|-----|---|
| 139 | Support food start-ups through initiatives with retailers including the Food Academy Advance with Musgraves Supervalu and the Taste Buds programme with Tesco.<br><br>(Bord Bia)  |
| 140 | Undertake commercial project proposals, with the participation of relevant Government agencies, to deliver knowledge transfer on Ireland's sustainable food production systems to international customers using the brand Sustainable Food Systems Ireland.<br><br>(SFSI)   |
| 141 | Contribute to attracting and developing graduate talent to the agri-food sector through programmes such as Bord Bia Marketing Fellowship and Food Marketing Graduates; the Origin Green Ambassadors programme; and the undergraduate Language Bursary Programme.<br><br>(Bord Bia)                                      |
| 142 | Support a further cohort of new food entrepreneurs under Food Works and develop the Food Works Plus supports for those entrepreneurs continuing to pursue their ventures.<br><br>(Bord Bia, EI, Teagasc)  |
| 143 | Generate and secure six investments from food FDI firms.<br><br>(EI)  |
| 144 | Implement supports for the fishing, aquaculture and seafood processing sectors under the European Maritime and Fisheries Fund Operational Programme; the <i>National Strategic Plan for Sustainable Aquaculture Development</i> ; and the <i>Harnessing our Ocean Wealth</i> strategy.<br><br>(DAFM, BIM, Bord Bia, EI) |

## 9.2 Tourism

Tourism is one of Ireland's largest industries and makes a very significant contribution to our economy. The tourism sector is performing strongly with the number of overseas visitors in 2015 reaching 8.6 million (a record year) and figures for the first 11 months of 2016 show an 11.0 per cent increase (compared to the same 11 month period in 2015).

There were 8.92 million visits in the first 11 months which means that 2016 will be another record year. The revenue from overseas visits in 2015 was over €4.2 billion, with figures for the first nine months of 2016 showing a 9.4 per cent increase (compared to the same period in 2015).

Critically, many of these jobs are regionally dispersed in places where other opportunities are limited, are available to people across a range of skill levels, and also support people who simultaneously are enhancing their skills or knowledge in education.

This Government recognises the value of tourism as a services export, and to maximise this, the primary focus of the Tourism Policy Statement, *People, Place and Policy – Growing Tourism to 2025*, is on growing overseas tourism. The Tourism Policy Statement sets out a series of policy objectives to deliver the headline targets of €5 billion in overseas visitor revenue, total employment of 250,000 in the tourism sector, and ten million overseas visitors by 2025.

To achieve the objectives in the Tourism Policy Statement, a series of three-year Tourism Action Plans will be developed, overseen by the Tourism Leadership Group. The first of these was published in January 2016 and covers the period 2016-2018.

The Tourism Action Plan contains a total of 23 actions to be addressed in the period between now and 2018 to secure continued growth in overseas tourism revenue and employment. Implementation of the Tourism Action Plan is now underway.

| Tourism |   |
|---------|---|
| 145     | Grow Dublin's international appeal and increase Dublin's competitiveness as a tourism destination.<br><br>(Fáilte Ireland/Tourism Ireland)  |
| 146     | Implement the Ireland's Ancient East experience brand and build on the region's comparative advantage in built and cultural heritage, to stimulate regional growth, and to assist Ireland's South, East and Midlands to achieve international "stand-out".<br><br>(Fáilte Ireland/Tourism Ireland, OPW) |
| 147     | Deliver balanced and sustainable tourism revenue, jobs growth and economic benefit to communities in the West of Ireland through the Wild Atlantic Way project.<br><br>(Fáilte Ireland and others)  |
| 148     | Deliver a new suite of business supports to enable the tourism industry to maximise its potential in growing tourism export earnings.<br><br>(Fáilte Ireland/Tourism Ireland)   |
| 149     | Stimulate growth in international tourism to Ireland via the events sector (in particular sporting events), in partnership with key stakeholders to identify, bid for and ultimately secure suitable events for Ireland.<br><br>(Fáilte Ireland)  |
| 150     | Develop heritage tourism initiatives, including a programme of trailway development in National Parks and Nature Reserves, in partnership with key stakeholders, and to enhance Ireland's competitiveness as a tourism destination.<br><br>(Fáilte Ireland/DAHRRGA)                                     |

|     |  |
|-----|--|
| 151 | <p>Develop the impact of investment in the Irish arts sector both at home and abroad to identify new markets for Irish work, and build awareness of the range and quality of work produced by Irish artists and working with other State bodies.</p> <p>(DAHRRGA, Culture Ireland, Arts Council of Ireland, DJEI, GRO, NLI, NAI)</p>   |
| 152 | <p>Work with Fáilte Ireland, the OPW and other strategic partners to develop heritage tourism initiatives, based on Ireland's built and natural heritage and the enhanced management and presentation of collections held by the National Cultural Institutions and other bodies, to contribute to the implementation of the growth objectives set out in <i>People, Place and Policy – Growing Tourism to 2025</i>.</p> <p>(DAHRRGA, Fáilte Ireland, National Trails Office, OPW, LAs, Waterways Ireland, National Cultural Institutions, Heritage Council)</p> |



### 9.3 Retail

One in every eight employees across the country works in the retail and wholesale sector, making it the largest private sector employer in the State. In particular, given its reach into every community in the country, the retail sector can make an important contribution to creating more jobs at regional level. Employment in the retail sector fell by almost 50,000 during the recession. There has been a slow but steady recovery in employment figures in the past two years from a low of 269,000 in Q2 2014 to 277,000 in Q3 2016.

A steady recovery in retail sales figures began to take hold in early 2015 through to mid-2016 as the increase in consumer confidence and domestic demand had a positive effect on consumer spending. However, the uncertainty arising from the UK's decision to leave the EU with the resultant impact on the sterling exchange rate led to significant fluctuations in retail sales figures in the second half of 2016 with a slowdown in growth rates in the summer and autumn followed by a more positive pre-Christmas period.

The Retail Consultation Forum, established in 2014, provides a platform for structured engagement between the retail sector and Departments and public sector bodies.

Working together across the retail sector and public sector, the Forum aims to address the significant challenges faced by the retail sector, such as revitalising town centres and competing with external retailers for a share in the online market. Addressing these issues will be key to enabling the retail sector to strengthen its resilience in the face of the challenges resulting from the outcome of the UK referendum.

In 2016, the Forum progressed the work of a number of working groups set up in response to the March 2015 report by the Joint Oireachtas Committee on Jobs, Enterprise and Innovation, *Policy Options to Support Business Growth and Job Creation and Retention in Town and Village Centres*. These included a pilot energy efficiency training programme for retailers and developing a draft Town Centre Revival Framework.

In 2017, the Forum will work on initiatives to address the key concerns of the sector, which will include continued focus on the opportunities of the digital economy, town centre renewal and identifying how to address skills issues for the sector.

| Retail |   |
|--------|---|
| 153    | Launch a Town Centre Revival Framework to support towns and villages, through their local authorities, to address the challenges of creating a vibrant and viable town centre.<br>(DJEI, Retail Consultation Forum, LAs, DAHRRGA, DHPCLG)                 |
| 154    | Review the Energy, Waste and Water Cost Management Pilot Programme for the retail sector, with a view to mainstreaming the programme, to drive energy efficiency and cost reductions for the sector.<br>(SEAI, Green Business, Retail Consultation Forum) |
| 155    | Identify skills challenges facing the retail sector, along with practical proposals to address a number of specific skills challenges.<br>(Retail Consultation Forum, DJEI, DES)  |
| 156    | Develop a pilot training programme to support retailers to scale up their online trading activity and expand into international markets.<br>(DJEI, Retail Consultation Forum, retail representative bodies)   |

## 9.4 Design

Design driven innovation is an important dimension of the innovation ecosystem. User-centric design is a key business differentiator and source of international business competitiveness for a number of key sectors. Crucially, design integrates both the development and the marketability of new products and processes. Therefore, a focus on design driven innovation can generate strong economic impacts. Design is pervasive, impacting all business sectors from manufacturing to the creative economy and in all regions of the country.

Design impacts across product development (e.g. medical devices, electrical devices, and food products) and is a key component in construction and consumer goods as well as in architecture and engineering.

Design is also driving the emerging creative sectors such as graphics; film and animation; web interface and ICT design; costume and set design; organisational and service design; and even food design where future growth, exports and job creation are expected to outperform the norm.

We will roll out a suite of measures to maximise the potential of the design sector to drive innovation and competitiveness, including a new national design strategy developed in consultation with all relevant stakeholders and a national Design4Growth scheme.

### Design

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Maximise the potential of the design sector to drive innovation and competitiveness.  
(DJEI, EI, IDA, LEOs, DCCol, Embassy Network, education sector)

## 9.5 International Financial Services

The international financial services (IFS) sector has been an important feature of Ireland's economy for close to thirty years. Reflecting the importance of the IFS sector, we launched the *IFS2020 Strategy* in March 2015. *IFS2020* is a five-year whole of Government strategy, which provides a framework in which both public and private stakeholders work together to ensure the further growth and development of the sector in Ireland.

We set out a clear vision for Ireland to be recognised as the global location of choice for specialist international financial services, building on our strengths in talent, technology, innovation and excellent client services, while focusing on capturing new opportunities in a changing marketplace and embracing the highest forms of governance.

We set out an ambitious target of growing the number of people directly employed in the IFS sector by nearly 30 per cent over the five year period to 2020, representing a net increase of 10,000 jobs.

There are now well over 400 companies employing approximately 40,000 people directly in the IFS sector in Ireland, including more than 200 Irish owned companies. Reflecting the importance of the IFS sector to regional growth, approximately one-third of those employed in IFS companies are outside the greater Dublin area in locations such as Louth, Donegal, Galway, Limerick, Kerry, Cork, Waterford, Wexford and Kilkenny.

The *IFS2020 Strategy* is a dynamic and evolving strategy for the sector which takes on board ongoing domestic and international developments. It is accompanied by a detailed action plan, which is being implemented by the public sector, in partnership with industry. Quarterly progress reports are provided to Government and the action plan is reviewed on an annual basis.

The *IFS2020 Action Plan 2017* has evolved from the overall *IFS2020* vision and our contingency planning on Brexit where *IFS2020* is fully integrated into the wider cross-Government processes. Brexit both underpins the Action Plan 2017 and also features in individual measures. As with all change, for Brexit the focus is to maximise the positive outcomes from the opportunities and address any challenges.

While Brexit will undoubtedly have an impact on Ireland's IFS sector, the size and scale of new IFS opportunities are unknown. There will be opportunities to attract new operations but it is equally important to retain and grow existing activities by remaining competitive in terms of Ireland's IFS offering. In that regard, Ireland will leverage the *IFS2020 Strategy* as we seek to maximise opportunities that arise, and we will continue to implement our clear financial services strategy for driving growth in the international financial services sector.

### International Financial Services

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Implement the *IFS2020 Strategy* Action Plan 2017.

(IFS2020 Public Sector High Level Implementation Group)

## 9.6 Construction and Housing

Under the *Construction 2020 Strategy* published in 2014, our aim is to deliver a competitive, dynamic, safe and sustainable construction sector, which is capable of delivering the economic and social infrastructure necessary to support economic growth in a cost-effective way. In the period since, there has been a significant increase in the level of construction activity and related employment across the country, with more than 30,000 extra people employed in the sector.

In response to the particular challenges the country faces in ensuring an adequate supply of housing, we published *Rebuilding Ireland – Action Plan for Housing and Homelessness*, in July 2016. It sets ambitious targets to double the annual level of residential construction to 25,000 homes and deliver 47,000 units of social housing in the period to 2021. It contains a wide range of medium and long term actions under five pillars: addressing homelessness; accelerating social housing delivery; building more homes for the wider housing market; improving the rental sector; and making the best use of the existing housing.

Implementation is overseen by the Cabinet Committee on Housing and progress is reported on in quarterly reports, the first of which was published in November 2016.

Considerable progress has already been made in implementing the Plan. Key achievements include: the Planning and Development (Housing) and Residential Tenancies Act 2016, which provides for the fast-tracking of certain planning applications for large developments to An Bord Pleanála, and for the creation of Rent Pressure Zones, limiting rent increases to four per cent annually; a new 'Help to Buy' scheme for first-time buyers; the establishment of a €70 million Housing Agency fund to purchase vacant properties from banks and investors and a €200 million Local Infrastructure Housing Activation Fund; and the launch of a strategy for the rental sector.

We are firmly committed to continuing the delivery of increased housing supply throughout 2017, and a budget of €1.2 billion has been allocated to housing programmes for 2017 (€655 million in capital and €566 million in current funding). As the economy enters a new phase in its recovery, it is important that any potential bottlenecks to increased output and delivery are identified and addressed.

We will continue to work to ensure that a workforce with the necessary skills is available to support increasing activity; that those currently unemployed are supported to take up job opportunities arising, and that the costs associated with the delivery of commercial and residential property do not have a negative impact on competitiveness.

## Construction and Housing

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|-----|--|
| 159 | <p>Implement <i>Rebuilding Ireland- Action Plan for Housing and Homelessness</i>, providing monthly updates on activity levels and quarterly progress reports.</p> <p>(DHPCLG and relevant Departments, LAs and other bodies)</p>  |
| 160 | <p>Progress funding the delivery of 20,000 residential units, on a commercial basis and subject to commercial viability, by the end of 2020.</p> <p>(NAMA)</p>   |
| 161 | <p>Undertake a detailed analysis to benchmark housing delivery input costs in Ireland with a view to identifying economies, and take any steps arising.</p> <p>(DHPCLG, Housing Agency and construction industry)</p>  |
| 162 | <p>Prepare a strategy for the adoption of Building Information Modelling across the public capital programme and to mandate the manner in which it is to be adopted across the public sector.</p> <p>(OGP, EI)</p>   |
| 163 | <p>Develop proposals to offer competitive financing on a commercial basis to developers to meet on-site and other infrastructure requirements on large developments sites.</p> <p>(NTMA)</p>   |
| 164 | <p>Work with public and private sector stakeholders to identify and address skills training needs in traditional building skills and architectural conservation, in order to increase levels of verifiable competence amongst the construction workforce engaged in designing and carrying out repair, maintenance and upgrading of older building stock, to assist regeneration of our historic cities, towns and villages as attractive places to live and visit.</p> <p>(DAHRRGA, DES, SOLAS, LAs, OPW, Heritage Council, CIF and others)</p> |

# Glossary of Terms

|                    |   |              |  |
|--------------------|---|--------------|--|
| <b>APJ</b>         | Action Plan for Jobs  | <b>DTTAS</b> | Department of Transport, Tourism and Sport |
| <b>BAI</b>         | Broadcasting Authority of Ireland                                   | <b>EGFSN</b> | Expert Group on Future Skills Needs        |
| <b>BIM</b>         | Bord Iascaigh Mhara   | <b>EI</b>    | Enterprise Ireland                         |
| <b>CIF</b>         | Construction Industry Federation                                    | <b>ERC</b>   | European Research Council                  |
| <b>COSME</b>       | EU programme for the Competitiveness of Enterprises and SMEs        | <b>ETB</b>   | Education and Training Board               |
| <b>CRO</b>         | Credit Review Office  | <b>ETBI</b>  | Education and Training Boards Ireland      |
| <b>CSR</b>         | Corporate Social Responsibility                                     | <b>EU</b>    | European Union                             |
| <b>daa</b>         | Dublin Airport Authority  | <b>FDI</b>   | Foreign Direct Investment                  |
| <b>DAFM</b>        | Department of Agriculture, Food and the Marine                      | <b>FET</b>   | Further Education and Training             |
| <b>DAHRRGA</b>     | Department of Arts, Heritage, Regional, Rural and Gaeltacht Affairs | <b>FP7</b>   | Framework Programme 7                      |
| <b>DCCAIE</b>      | Department of Communications, Climate Action and Environment        | <b>GNP</b>   | Gross National Product                     |
| <b>DCCoI</b>       | Design and Craft Council of Ireland                                 | <b>GRO</b>   | General Register Office                    |
| <b>DCYA</b>        | Department of Children and Youth Affairs                            | <b>HEA</b>   | Higher Education Authority                 |
| <b>DES</b>         | Department of Education and Skills                                  | <b>HEI</b>   | Higher Education Institution               |
| <b>DFAT</b>        | Department of Foreign Affairs and Trade                             | <b>HICP</b>  | Harmonised Index of Consumer Prices        |
| <b>DoF</b>         | Department of Finance   | <b>HIHI</b>  | Health Innovation Hub Ireland              |
| <b>DHPCLG</b>      | Department of Housing, Planning, Community and Local Government     | <b>HPRA</b>  | Health Products Regulatory Authority       |
| <b>DJEI</b>        | Department of Jobs, Enterprise and Innovation                       | <b>HPSU</b>  | High Potential Start-Ups                   |
| <b>DJE</b>         | Department of Justice and Equality                                  | <b>HRB</b>   | Health Research Board                      |
| <b>DoD</b>         | Department of Defence   | <b>ICT</b>   | Information and Communications Technology  |
| <b>DPER</b>        | Department of Public Expenditure and Reform                         | <b>IDA</b>   | IDA Ireland                                |
| <b>DSP</b>         | Department of Social Protection                                     | <b>IFB</b>   | Irish Film Board                           |
| <b>D/Taoiseach</b> | Department of Taoiseach   | <b>IFS</b>   | International Financial Services           |
|                    |   | <b>IFSC</b>  | International Financial Services Centre    |
|                    |   | <b>IP</b>    | Intellectual Property                      |
|                    |   | <b>IRC</b>   | Irish Research Council                     |
|                    |   | <b>IRDG</b>  | Industry Research and Development Group    |
|                    |   | <b>ISIF</b>  | Ireland Strategic Investment Fund          |
|                    |   | <b>ITI</b>   | InterTradeIreland                          |

|               |  |                |   |
|---------------|--|----------------|---|
| <b>IUA</b>    | Irish Universities Association                               | <b>PEIL</b>    | Programme for Employability, Inclusion and Learning |
| <b>KDB</b>    | Knowledge Development Box                                    | <b>PPP</b>     | Public Private Partnership                          |
| <b>KTI</b>    | Knowledge Transfer Ireland                                   | <b>Q</b>       | Quarter   |
| <b>LAs</b>    | Local Authorities  | <b>R&amp;D</b> | Research and Development                            |
| <b>LCDC</b>   | Local Community Development Committee                        | <b>RDI</b>     | Research, development and innovation                |
| <b>LEADER</b> | Liaisons entre actions de developpement de l'économie rurale | <b>RSF</b>     | Regional Skills Fora                                |
| <b>LEO/s</b>  | Local Enterprise Office/s                                    | <b>SBCI</b>    | Strategic Banking Corporation of Ireland            |
| <b>LGMA</b>   | Local Government Management Agency                           | <b>SBIR</b>    | Small Business Innovation Research                  |
| <b>LPC</b>    | Low Pay Commission   | <b>SEAI</b>    | Sustainable Energy Authority of Ireland             |
| <b>Mbps</b>   | Megabytes per second   | <b>SFI</b>     | Science Foundation Ireland                          |
| <b>NAI</b>    | National Archives of Ireland                                 | <b>SFSI</b>    | Sustainable Food Systems Ireland                    |
| <b>NAMA</b>   | National Asset Management Agency                             | <b>SI</b>      | Statutory Instrument                                |
| <b>NCC</b>    | National Competitiveness Council                             | <b>SICAP</b>   | Social Inclusion and Community Activation Programme |
| <b>NCCA</b>   | National Council for Curriculum and Assessment               | <b>SLMRU</b>   | Skills and Labour Market Research Unit              |
| <b>NCDAF</b>  | National Civil Aviation Development Forum                    | <b>SME</b>     | Small and Medium Enterprise                         |
| <b>NLI</b>    | National Library of Ireland                                  | <b>SOLAS</b>   | An tSeirbhís Oideachais Leanúnaigh agus Scileanna   |
| <b>NPF</b>    | National Planning Framework                                  | <b>STEM</b>    | Science, Technology, Engineering, Mathematics       |
| <b>NSAI</b>   | National Standards Authority of Ireland                      | <b>UN</b>      | United Nations                                      |
| <b>NSC</b>    | National Skills Council                                      | <b>ÚnaG</b>    | Údarás na Gaeltachta                                |
| <b>NTMA</b>   | National Treasury Management Agency                          | <b>VAT</b>     | Valued Added Tax                                    |
| <b>OECD</b>   | Organisation for Economic Co-operation and Development       | <b>WEF</b>     | World Economic Forum                                |
| <b>OGCIO</b>  | Office of the Government Chief Information Officer           | <b>WRC</b>     | Workplace Relations Commission                      |
| <b>OGP</b>    | Office of Government Procurement                             | <b>WTO</b>     | World Trade Organisation                            |
| <b>OPW</b>    | Office of Public Works                                       |                |   |
| <b>PAYE</b>   | Pay As You Earn  |                |   |





