

## **To Weather the Challenging Economic Environment We Need to Retain Focus on Opportunities and Key Success Factors - Forfás**

### **Launch of Forfás Annual Report 2007**

Speaking on launch of the *Forfás Annual Report 2007*, Tanáiste and Minister for Enterprise, Trade and Employment, Mary Coughlan said, "Undoubtedly we have entered a challenging economic period. Understanding what are the most important strategic issues for enterprise and science is essential for Government in ensuring Ireland continues to deliver an environment in which companies can thrive. I am delighted to receive the Annual Report of Forfás. Forfás provides support and advice to my Department in identifying policy actions to positively contribute to the development of enterprise in Ireland. I look forward to working with Forfás through the next year and in particular to receiving shortly the report of the Services Strategy Group. This Group will be reporting to me on the opportunities and challenges for the Services Sector which is and will continue to be a key driver of our economic success."

Addressing the challenges currently facing enterprises in Ireland, Martin Cronin, Chief Executive, Forfás commented, "We must to maintain an intensive focus on reinforcing Ireland's competitiveness by sustaining investment in education, research and critical infrastructure, and promoting cost competitiveness and productivity growth."

### **The Opportunities**

"Ireland has a dynamic and successful base of companies successful in many modern fields of business such as ICT, life sciences, financial services, food, web-based services, specialised engineering and locally-delivered services, to name a few," said Cronin.

"There are opportunities for Ireland with the expansion of these sectors and potential for us where previously distinct and separate sectors begin to come together. Convergence of technologies and business practices is already occurring in sectors such as ICT and financial services, in food and pharmaceuticals and in pharmaceuticals and medical technologies. The potential is significant and Ireland can bring the strengths of experience and adaptability and flexibility to bear," continued Cronin.

## Key Success Factors

### Continued Focused Investment

“Investment, whether it is public or private, in the critical areas of education, research and the infrastructures vital for a knowledge economy are essential.”

“We must continue to invest in what is most important and prioritise investments that will make the most significant contribution to our economy,” said Cronin.

“Fortunately, success in this regard is within our own control,” he continued.

### Costs

“With increasing costs in Ireland it is important that we take every opportunity to curb further cost increases to ensure that Irish enterprise can continue to compete effectively,” said Cronin

### Improving Productivity

“A continued focus on innovation and flexibility to adapt to change across all business activities is vital to secure higher value added activities and improved productivity. Achieving higher relative productivity growth rates will be important for further international competitiveness and securing sustainable wage growth.”

“To achieve this Ireland will need changes in the workplace - a partnership approach to the development of workplaces which are knowledge based and innovation driven. Partnership has delivered for the Irish economy at the national level and becomes even more important in our goal of moving towards more innovative, higher value activities and an upgrading our skills” he concluded.