REGIONAL COMPETITIVENESS AGENDA

Volume II - Realising Potential

South-East

Forfás

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1. Background & Context

Ireland is facing unprecedented challenges against the backdrop of a world recession, and is now operating within tough budgetary conditions and fiscal constraints. We have already seen the impacts in terms of a decline in economic activity and increases in unemployment. The more recent downturn in employment is particularly marked in both the construction and manufacturing sectors and has greater implications for the regions outside of the Greater Dublin Area (GDA) in the medium term.

The Government's 'Building the Smart Economy' document identifies the fundamental importance of returning to export-led growth. Returning to export-led growth requires that we create an environment that is conducive to attracting foreign direct investment (FDI), stimulating entrepreneurship and enabling companies to grow and serve global markets from an Irish base.

In this context, Forfás, together with the development agencies, has developed a suite of **Regional Competitiveness Agendas** (RCAs) for each of the regions at NUTS III Level[1]. The RCAs take an enterprise perspective, recognising that enterprise is a key driver for regional growth and national economic development. The document does not seek to suggest how immediate term issues might be addressed as these are being addressed through other channels[2]. It takes a longer term view, recognising that at the same time, it is vital that we prioritise and make strategic investments now that pump-prime the potential of each of the regions to position them as contributors to Ireland's national growth when this downward economic cycle comes to an end.

This report should be read in conjunction with:

Regional Competitiveness Agenda: Volume I : Baseline Data and Analysis : South-East Region which provides an overview of the region today based on an analysis of quantitative and qualitative indicators across a range of competitiveness factors; and

A final report: *Regional Competitiveness Agendas: Overview, Findings and Actions*. This report highlights findings arising from our analysis of all regions, differentiating factors for the regions, and priorities for regional enterprise development.

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[1] East (Mid-East & Dublin), Border, Midlands, West, Mid-West, South-West, South-East

[2] Refer to National Competitiveness Council's *Annual Competitiveness Report 2009* (http://www.competitiveness.ie/)

The Objective of the RCAs is to:

Provide an economic overview to inform the updates of the Regional Planning Guidelines and specifically to:

- Highlight opportunities to build on each region's distinctive strengths

- Identify barriers to achieving objectives and/or issues specific to the region together with actions to address them

- Identify infrastructure priorities relevant to future enterprise needs within the regions.

The RCAs take a broader interpretation of infrastructures to include 'softer' factors such as innovative capacity, leadership and quality of life factors.

Methodology

Desk-based research and one-to-one consultations with a range of stakeholders were undertaken to outline the current status of the region and highlight opportunities and challenges specific to it. A regionally based workshop was held to identify the areas where the region can build from its strengths to realise its potential over the coming years. These areas are not intended to be exhaustive, but provide indications of what is possible, and they serve to prioritise the infrastructures and supporting activities required to build on the region's assets and to address barriers to enterprise development.

Report Structure

The report outlines:

- Global Drivers of Change that impact on enterprise needs

- The Competitiveness Factors that provided the framework for analysis

- A Summary of the Current Status of the Region – Strengths and Challenges

- Realising Future Potential – Identifying areas of opportunity:

  - Sectors and activities at firm level

  - Business environment factors

- Priority Actions

2. Regional Competitiveness

Global Drivers of Change

It is never easy to predict how enterprise is likely to evolve over a given time, and within the context of the current economic downturn, it is even more challenging. Having said that, there are a number of global drivers that will continue to have implications for how companies will do business in the future[3], and in turn, inform the needs of the business environment and factors of competitiveness.

Globalisation: The pace and extent of global competition has intensified significantly over recent years. Globalisation enables companies to reach new untapped markets. The supply chain is increasingly disaggregated so that companies tend to outsource non-core activities or to off-shore them to locations where it makes business sense. Even firms serving the domestic market are facing international competition (e.g. in retail, pharmacy, supermarkets). People are also more mobile and high-value talent is scarce relative to global demand. People can and will choose where they want to live and work. Quality of life factors take on a new dimension in this context.

Advances in Technology have a significant impact, not only on the ICT industry itself, but on almost every business, regardless of the nature of its activities. Technology advances have enabled companies to manage multi-site operations across the world. ICT has been, and will continue to be, a key enabler for the remote delivery of services. Increased convergence of technologies has seen companies from formerly discrete sectors enter into partnerships to provide end solutions to customers. Changes in business models, the convergence of formerly discrete sectors and increased mergers & acquisition (M&A) activity call for a work-force with multi-disciplinary skills and a flexible and problem-solving attitude.

Rising Concerns About the Environment: The increased focus on environmental (and energy related) issues presents opportunities for companies to innovate with alternative sources of energy, new solutions and services. Consumers will drive all companies to reconsider aspects of their business from an environmental perspective. For companies, this involves considering their own production and business processes, carbon footprint, materials and waste.

Shift Toward Services: Services contribute a higher proportion to GDP in developed economies driven by consumer demand, increased disposable incomes and a demand for 'personalised' solutions. Within the business to business (B2B) sector, companies are responding to the disaggregated supply chain model, and providing services which had been formerly managed 'in-house', including e.g. laboratory and testing services, R&D, logistics, supply chain management, and customer technical support. Manufacturing firms are 'bundling' services with their products to provide a more tailored and higher value solution to their customers. Competitively priced, high-speed resilient broadband networks and services are now a basic requirement to underpin future economic development.

The Importance of Dynamic Urban Areas: Ireland's economic structure is shifting towards a higher proportion of services exports, balanced with a core of high-value added

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[3] Forfás *(2008) Sharing our Future* , IBM (2008) *Drivers of Change*, Enterprise Strategy Group (2004) *Ahead of the Curve*

manufacturing activities – although this is more immediately apparent in the city of Dublin and to a lesser extent in the urban centres of Cork, Limerick, Galway and Waterford. International evidence shows that high-value added services are attracted primarily to urban areas, and that today, internationally, cities are competing with cities for enterprise investment. It also points to the fact that urban areas play a key role in driving the development of their hinterlands, and successful regions have a dynamic and vibrant city at their core. The RCAs acknowledge the importance of gateways and their role as drivers of regional economic development, and the need for strategic planning and development to optimise the inter-relationship between gateways and their immediate hinterlands.

Competitiveness Factors

The global drivers highlighted above have implications for where and how companies do business. As companies respond to these global drivers of change they make location decisions based on economic and business imperatives. Higher value activities generally depend upon an educated and skilled workforce. Locations are not only considered in terms of (relative) cost, but in terms of access to skills and talent, access to markets and customers (whether physical or virtual), an innovative capacity and capability and a dynamic environment offering an attractive quality of life – basically a good place to work, live and to do business.

In this context it is important that a location or region provides a competitive environment that stimulates entrepreneurship, enables companies to grow and evolve, and attracts and retains foreign investment. The following factors of competitiveness were developed to facilitate analysis of the regions, incorporating a suite of both quantitative and qualitative indicators[4].

**Competitiveness Factors**

Enterprise Dynamic	assessing the enterprise structure, employment and GVA, the contribution from agency supported enterprises, and sectoral diversity and/or clustering
Skills & Education	an analysis of the skills, educational attainment and education resources
Innovation	research and development investment and activity, collaborations and inter-linkages between HEIs and firms, between firms and customers
Economic Infrastructures	transport and broadband infrastructures – recent investments and ongoing infrastructure needs
Quality of Life	based on factors relevant to the attraction of mobile investment and labour/talent
Leadership and Strategic Capacity	outlining relevant organisations and indications of locally driven initiatives and outcomes

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[4] Forfás, DOEHLG & Fitzpatrick Associates (2006) *Implementing the NSS: Gateway Investment Priorities Study*; NCC (2009) *Our Cities: Drivers of National Competitiveness*; Fitzpatrick Associates (2009) *Preparation of a Gateway Development Index* (Stages 1&2)

3. The South-East Region Today – A Summary

This summary highlights aspects that indicate the differentiating elements for the South-East Region based on the findings in the *Regional Competitiveness Agenda: Volume I: Baseline Data and Analysis* for the region.

Figure 1: Factors of Competitiveness
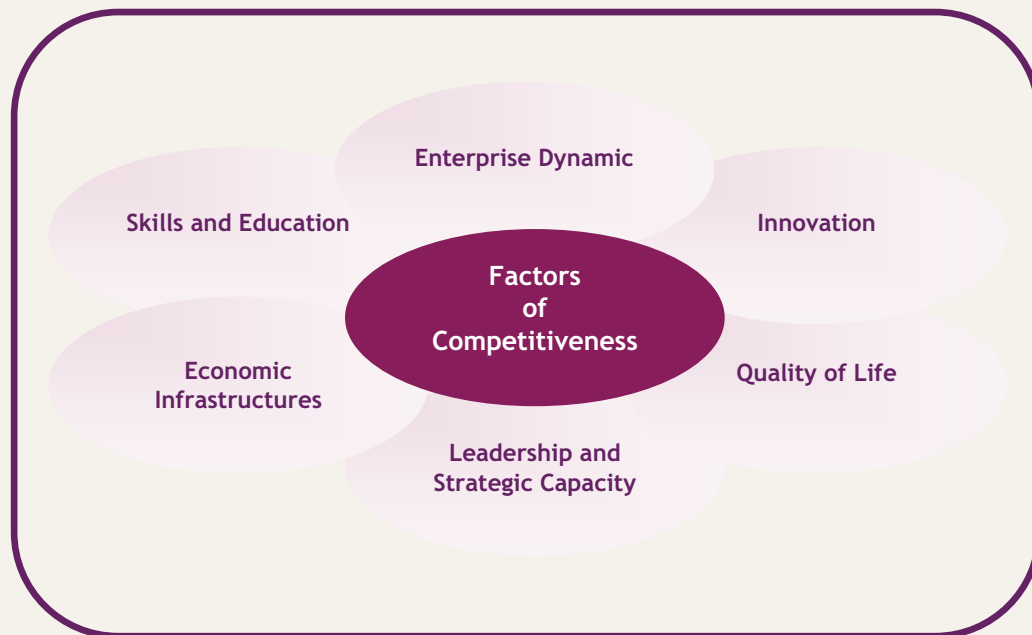
Overview – Population and Growth

Comprising of counties Carlow, Kilkenny, South Tipperary, Waterford and Wexford, the South-East region has a total population of just under 496,500 (or 11% of the population of the State)[5]. The region has a distinctive settlement pattern with five major centres of population distributed across the region. The designated regional Gateway, Waterford, is about double the size of the region's second largest urban centre (Kilkenny) in terms of population. It is Ireland's fifth largest city.

The region has experienced relatively strong levels of population growth in recent years. Increases in population have typically occurred within, or in close proximity to, the main urban centres, while growth in northern parts of the region reflects the extension of the Dublin commuter belt (into areas of north Carlow and Wexford). Age cohort analysis shows that almost one-fifth of the region's young adult population (aged 15-19) migrates from the region as they pass from late teens to early twenties.

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[5] CSO (2009) *Population & Migration Estimates*

Enterprise Dynamic

The South-East region exhibited strong employment growth over the period 1998-2008 and, not unlike other regions in Ireland, this growth was driven by considerable expansion within the construction and public sectors. Employment growth in construction activities was particularly strong in the South-East and suggests that the recent and dramatic down-turn in this sector may have a greater overall impact here than in other parts of the country.

Manufacturing continues to make an important contribution and represents a key competency for the region. New investments in recent years, particularly in the LifeSciences sector, have boosted manufacturing employment and have helped to offset decline in the more established manufacturing sectors. However, continuing cost pressures, particularly in more labour intensive activities, combined with the deteriorating economic conditions globally present serious challenges in the immediate future.

The agricultural sector contributes 9% to overall employment, greater than the national average of 6%. This is complemented by the employment provided by strong international food processing companies.

Although the performance of the region in terms of High Potential Start Up (HPSU)[6] companies has been comparatively low, there are important initiatives being undertaken within the region in support of increased levels of entrepreneurship, for example the collaborative regional *Spirit of Enterprise* initiative[7]. The higher education institutes in the region have also adopted a proactive approach with industry in terms of applied research, while incubation and enterprise centres throughout the region are providing valuable supports to small firms.

Skills & Regional Innovation Capacity

Educational attainment to leaving certificate and third level has increased but the region continues to exhibit a relatively high level of early school leaving (below leaving cert) and relatively lower levels of attainment to third level. The profile of industry in the region, with a strong tradition of manufacturing and agriculture, has been a factor influencing this pattern of educational attainment. A particular challenge for the region will be to address skills development needs of those employees emerging from these sectors and from the construction sector as they experience contraction in the current difficult economic conditions.

The region benefits from a number of third level education providers including two Institutes of Technology (IoTs) at Waterford and Carlow, Tipperary Institute & Carlow College. IT Carlow has outreach facilities at its Wexford Campus and also delivers courses off-campus at

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[6] Enterprise Ireland defines a 'High Potential Start Up' as a company which is: based on technological innovation; likely to achieve significant growth in 3 years (sales of €1m per annum and employment of 10+); export oriented; ideally led by an experienced team with a mixture of technical and commercial competence. The definition can include early stage, product-led R&D companies

[7] See http://www.spiritofenterprise.ie

St Kieran's College Kilkenny. NUI Maynooth also operates an outreach campus at St Kieran's College in Kilkenny[8].

The IoTs have been proactive in terms of building relationships with industry, encompassing tailored delivery and development of courses, research collaborations and life-long learning. The South-East accounts for a very small portion of the total R&D spend in the higher education sector (HERD) (under 2% in 2006). This underlines the importance of establishing linkages and networks with relevant HEIs and research institutes beyond the region. Significant developments such as the awarding of an SFI Strategic Research Cluster to WIT (the first of the IoTs to establish such a cluster) represent a key step in enhancing research and innovative capacity within the region.

Economic Infrastructures: Access and Connectivity

Major deficits in road infrastructure which have hampered economic development within the South-East for many years are now being addressed. The upgrade of the N9 in particular will enhance inter-regional connectivity and reduce travel times to Dublin. The newly-opened Waterford City By-pass will reduce traffic congestion in the city and brings with it the strong visual impact of a new 'iconic' cable-stay bridge over the river Suir. A number of issues remain to be addressed within the region: the east-west links from Waterford to Limerick via Carrick-on-Suir, Clonmel, Cahir and Tipperary town (N24), and the existing but under-used rail transport infrastructure), and completion of the N11 upgrade as far as Wexford. Key investments in the electricity network are required to satisfy future demands, and the broadband offering in the region needs to be improved to support future enterprise potential.

Quality of Life

Quality of Life could be discussed from many different perspectives, and is in itself a subjective concept. However, from an enterprise development position there is recognition that a high quality of life that is inclusive and accommodating of diversity is an important component in regional competitiveness and is necessary to achieve the following:

- creating the conditions to foster and support innovation, creativity, and knowledge generation/transfer
- attracting and retaining internationally mobile skilled people
- attracting knowledge intensive internationally mobile Foreign Direct Investment (FDI)

A variety of lifestyle choices can be accommodated in the diverse physical landscape and settlement patterns across the South-East region. Developments in road infrastructure will enhance regional interconnectivity and ease of access to the main population and service centres and reduce traffic throughput in smaller settlements. A particular challenge for the region is to ensure greater co-ordination in the promotion and preservation of the natural environment and landscape and further development of cultural and recreational assets.

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[8] The absence of a university within the region has been cited as a key regional deficit and a formal application by WIT for upgrade to university status is currently with government

Leadership and Strategic Capacity

Local leadership plays an important role in driving regional development, from the planning and delivery of critical infrastructures and the development of concentrated and well planned urban development to the facilitation of enterprise development through stimulating networking, agency collaboration and targeted regional initiatives. The South-East region is characterised by a dispersed urban population and a regional Gateway with limited regional impact currently. This has resulted in diverging and competitive dynamics within the region, and perhaps also a missed opportunity to work with this distinctive diversity through a more co-ordinated approach to regional development. The *Spirit of Enterprise Forum* indicates an ability within the region to act collaboratively.

Conclusion

The South East is distinctive in that its settlement pattern includes five major centres of population distributed across the region. Although the regional Gateway, Waterford, is double the size of the region's second largest urban centre in terms of population, it ranks fifth in terms of Ireland's cities. The lack of genuine buy-in to Waterford as the regional gateway, the dispersed settlement pattern and competitive dynamics within the region has limited the realisation of the potential of the city as a driver for regional development.

The industry profile for the region demonstrates high levels of employment in construction, agriculture and manufacturing, coupled with relatively lower levels of educational attainment to third level. A particular challenge for the region will be to address skills development needs of those employees emerging from sectors that demonstrated strong growth over the period to 2008, but that have declined significantly more recently.

Recent infrastructure investments in the region are welcomed, and will enhance the physical access and connectivity of the region, both nationally and internationally. Further investment will be required to enhance future economic development potential.

4. Realising Future Potential: Sectoral Opportunities

This section considers the assets of the region, and how they might be harnessed to further develop the enterprise base. The challenge over the next decade (faced by the entire country), is to shift economic growth toward export oriented sectors and activities and to stimulate employment opportunities in particular.

The areas outlined below were highlighted during the regionally based workshop[9] and one-to-one consultation, informed by employment trends and the existing enterprise base. The outline for each sector that follows demonstrates the suite of assets that provide a platform for growth; for attracting investment from foreign and indigenous companies, stimulating entrepreneurship and enabling companies based in the region to grow and target international markets. The sectors considered for the South-East are[10]:

- The Bioeconomy – incorporating:
    - Agri-Food
    - Bio-energy
- Tourism (incl. Marine based tourism)
- ICT – Services
- Internationally Traded Services (excl. ICT)
- LifeSciences

While the listing above suggests discrete sectors with potential, a key characteristic of global enterprise trends is the increased blurring of sectoral boundaries - where advances in science, engineering and ICT drive previously separate sectors to collaborate and develop new and more valuable products and services. Examples include: ICT and Healthcare (remote diagnostics, bioinformatics); Food and Pharmaceuticals (pharming, nutraceuticals, functional foods); Med Tech & Pharmaceuticals (combination products, regenerative medicine).

In the context of this sectoral convergence, core skills become transferrable across sectors, for example, biology, chemistry, engineering, electronics, logistics and software; and cross sectoral strategic collaborations and networking (regionally, nationally & internationally), amongst firms and between firms and knowledge providers (HEIs, research institutes etc.) become critical.

Core competencies within the South-East in engineering, food production, and more recently, software development provide a strong platform for future growth in emerging convergent sectors.

The Bio-economy

In its long term strategy, *Towards 2030: Teagasc's Role in Transforming Ireland's Agri-Food Sector and the Wider Bioeconomy*[11], Teagasc has outlined four pillars of the bioeconomy as:

- Food production and processing
- Value-added food processing
- Agri-environmental Products and Services
- Energy and Bio-processing

We consider the potential for the South-East specifically as it relates to Agri-Food and Bio-Energy.

Significant Future Potential

'Agriculture, forestry, the marine and their related processing sectors are on the cusp of profound change.

The potential for new business development is so great that it makes sense to redefine the sector into the broader concept of the bioeconomy, encompassing the traditional agribusiness sector and a wide range of novel activities that can now be generated from our natural resources of land, forestry and the marine'

Teagasc (2008) Towards 2030: Teagasc's Role in Transforming Ireland's Agri-Food Sector and the wider Bio-economy

Agri-Food

Globally, the agri-food industry has transitioned from being largely production-led to being led by market demands. Today, many people are more focused on a healthier lifestyle and on 'wellness.' This has resulted in a growing demand for lifestyle related products such as health enhancing functional foods (e.g. cholesterol reducing products). Agribusiness also plays a significant role as part of a wider 'bio-economy', as scientific advances, consumer trends and market developments create novel and non-traditional uses for natural resources (including agri-environmental products and services, as well as energy and bio-processing)[12].

The agriculture and food industry is Ireland's largest indigenous sector, employing circa 155,000 people and accounting for over half of the country's indigenous exports. The sector contributes the highest proportion of IEE (Irish Economic Expenditure) in terms of salaries and third party services and materials - higher than any other agency supported sector[13]. Teagasc predicts that the sector is likely to become even more important in the coming years.

Key Assets

Agriculture and agri-food sectors are relatively strong in the South-East, contributing 9% to overall employment. This is on a par with the West region and higher than all others. In addition, strong players in the food processing industry have emerged from the region and are significant employers and exporters. The map overleaf highlights some of the enterprise and research strengths of the agribusiness sector (particularly food in this instance) in the South-East and in adjacent regions.

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[11] See http://www.teagasc.ie/publications/2008/20080609/ForesightReportVol1.pdf

[12] Teagasc (2008) Towards 2030: Teagasc's Role in Transforming Ireland's Agri-Food Sector and the wider Bio-economy

[13] Although this does not take into account contributions toward corporation tax

As with many other sectors of the economy, agribusiness faces difficult trading conditions today. Commodity prices are low for agricultural goods with strong competition arising from low cost production locations. Demand for food products in the UK, a key market, has fallen due to lower aggregate demand conditions and a weaker Sterling which makes Irish imports to the UK less attractive.

Figure 2: Agri-Food Sector – Enterprise and Research Activity

Realising Potential

Companies operating in the sector need to move to higher value activities, invest in more technologically advanced production methods and diversify products and markets. The changes required to transform the South-East's current agribusiness model into a more diversified bioeconomy as envisaged by Teagasc will require longer term effort. In the immediate term, certain actions can be taken including;

- Alignment of research with near term development opportunities in the region, i.e. ensure that areas being researched can be exploited in the region

- Continuation of Teagasc advisory role to assist potential agribusiness entrepreneurs in the identification and exploitation of opportunities in the area (in co-operation with Enterprise Ireland and CEB's, and other enterprise support bodies)

- Continuation of EI's role in enterprise development for firms operating in the sector, particularly in the areas of productivity improvement and market/product diversification

- Support from regional and local authorities for the development of the bioeconomy in the planning process and in infrastructure provision.

Bio-energy

The renewable energy sector encompasses a broad range of energy related activities and has shown strong growth in recent years. Growth is driven principally by a growing demand for energy and a move to cleaner sources of energy production as the costs of carbon and other polluting emissions of traditional fossil fuels are being priced into production processes. The sector is one from which every region has an opportunity to benefit, albeit to differing degrees.

Key Assets

The South-East has fewer natural advantages in the renewable energy sector than other regions, such as the Border, South-West and West – particularly in relation to harnessing wind and/or wave energy. While it is desirable for a developing sector to harness resources from a variety of sources both within and beyond their regional location, proximate assets do provide benefits in relation to ease of access and the possibility of organic spillovers (e.g. through transfer of skills, knowledge, experience).

The South-East boasts considerable **bioenergy resources** and supportive research activity. The South-East Region Bioenergy Implementation Plan 2008-2013[14] identifies considerable bioenergy natural resources within the region including Wood, Willow, Oilseed Rape, Animal Slurry, Sugar Beet and Cereals, Grass, Miscanthus (grass), Municipal Solid Waste (MSW) and Landfill Gas. The Plan also identified actions required to reduce barriers to development of the sector and to harmonise the planning regulations for bioenergy development across the region.

There are a number of **research institutes** based in the region:

- Tipperary Institute's Centre for Sustainable Energy Development, called Amergin, includes expertise from its Rural Development and Information and Communications Technology Departments. The Centre is involved in all areas of sustainable energy with a particular focus on bioenergy

- Research activity at WIT's Eco-Innovation Research Centre (EIRC) is focused on the innovative development of 'high value-added technologies, products and processes from natural resources' and 'low environmental impact processing/growth methods'. Research areas include bioremediation of toxic heavy metals using seaweed biomass, environmental biomonitoring, wood energy and agri-environmental management. Their research is relevant to the future development of a number of sectors, including marine, agriculture and forestry sectors, and pharmaceutical synthesis based on 'green' chemistry

- IT Carlow has developed two 'centres of research and enterprise' with a focus on environmental technologies, including EnviroCORE, which is focused on the

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[14] Driven by the South-East Regional Authority and overseen by a multi-disciplinary steering committee

development of niche areas within bioenergy, waste management, bioenvironmental monitoring and high value commodity products from biomass, and GeoCORE which includes expertise in civil engineering, construction, architecture and technologists to support industry in the development of testing, investigation and analysis techniques for the built environment

- Teagasc has its national headquarters in the South-East, (at Oak Park, Carlow) and have an additional research facility in the region in Johnstown Castle, Co. Wexford. Although today Teagasc's research is primarily focused on the agri-food sector, it also engages in research in the broader bioeconomy.

The **Environmental Protection Agency** (EPA) is located in Co. Wexford and has expertise in and responsibility for licensing, enforcement, monitoring and assessment activities associated with environmental protection.

Realising Potential

Although at an early stage of development, there is potential in the environmental sector for the region. The South-East has the natural resources, nascent research capacity and institutional set-up to investigate and develop opportunities in this area. Existing frameworks which have been developed (e.g. the Bioenergy Implementation Plan steering group) can be advanced to deliver practical initiatives in the utilisation of environmental goods and services in the region. Leadership and enhanced focus on specific areas where returns can be identified will be required for the successful realisation of opportunities.

From a usage point of view, more efficient and sustainable generation and consumption of energy can deliver benefits to the region's businesses and consumers. Furthermore, advances in the development of the sector in the region enhances the value proposition for the attraction of FDI, both from companies active within the environmental arena and from those seeking to become more environmentally conscious.

Tourism

Tourism is a key industry for all Irish regions. Tourism development is an important consideration from a regional development perspective, and one which is likely to have positive spillovers into other aspects of the region's economy and society, such as quality of life improvements for the region's permanent residents, and increasing the attractiveness of the region for inward investment.

The 'Sunny South-East' has an established reputation for tourism, particularly domestic tourism, a market which is likely to increase over the medium term as the current recession weakens demand for foreign holidays among Irish holiday-makers. The South-East has a number of high profile cultural events which act as a further draw for visitors to the region, such as the Kilkenny Arts Festival, The Kilkenny Cat Laughs Comedy Festival, the Waterford Spraoi Festival and the Wexford Opera Festival. These events have a recognised brand and are key elements of the region's tourism product.

Existing Initiatives

Fáilte Ireland is the primary state agency responsible for tourism promotion. In its most recent operational plan, the agency sets the objective of achieving revenues of €600m in the region by 2010, with a 20% increase in holiday visitors[15]. Action is focused on developing:

- Heritage and Cultural Tourism: Build greater consumer perception and motivational appeal based on the region's wide mix of unique and interesting holiday experiences

- Festive and Cultural Events: Build greater consumer perception and awareness of the South-East as a year-round 'happening destination' within the context of urban, rural and coastal tourism hubs

- Family Fun: Establish a second hub for the 'Family Fun' national programme (creating family oriented holiday destinations) piloted in Tramore

- Water and Land Based Recreational Activity: Re-invigorate and expand the regional activity product through a programme of capital development and quality categorisation based on identified hubs and clusters

- Access Transport: Improve transport services to and within the region through actions to address issues relating to road, rail, sea and air services.

Realising Potential

Some challenges need to be addressed to enhance the contribution of tourism to the region's economy:

Access: On-going road improvement projects such as the M9 and M8 will greatly enhance access to the South-East. As well as large scale infrastructural investments, access for the tourism market can also be improved through innovative initiatives using local facilities, such as is being done in the North-West with chartered flights from Rotterdam to Donegal airport, bringing in tourists directly from what is considered a key tourist market in continental Europe.

In terms of intra-regional connectivity, consideration needs to be given to how attractions are linked and how tourists can navigate the region. The region has poor public transport provisions, and this is especially the case with regard to the more remote locations tourists may wish to access. Options for improving accessibility to areas with poor or no public transport connections could include seasonal or 'tourist' bus services and/or improved cycling facilities.

Planning: Intensive holiday home development in certain areas of the South-East's coast has potential to undermine the region's tourism product to some degree. While physical development needs to occur to obtain increased returns, this development must be handled sensitively and be well planned in order to maintain the quality of the local environment.

Product: Fáilte Ireland's strategy for the region is based on a multi-faceted brand, building on key regional strengths: heritage, culture/festivals, family fun and land/water-base

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[15]   The Fáilte Ireland Operational Programme for the South-East can be viewed at:
http://www.failteireland.ie/getdoc/d52161ce-06ca-4de1-aaf8-4bcca7b24a61/FI-oper-plan-SE-web-copy

activity. A joint approach needs to be taken to developing the South-East's tourism products by stakeholders and tourism promoters for the successful exploitation of particular market segments, especially domestic holiday-makers.

Attractions: National Heritage sites can act as significant attractors to the region in which they are sited. The continued development and promotion of such heritage sites in the region, of which there are many, should be considered by local tourism interests.

Internationally Traded Services (excluding ICT)[16]

Today, a wide variety of services are traded internationally, including such activities as finance, insurance, computer-related activities, R&D, advertising, marketing, accounting and consultancy. In addition, there is an increasing level of services activity taking place within manufacturing firms – the so-called 'servicisation' of manufacturing. Moreover, globalisation, along with the enabling technologies that underpin it, has seen the emergence of new and more complex business models. Increasingly, multinational companies seek to maintain competitive advantage by out-sourcing, moving selected business processes to more economic or strategic locations, and gaining direct access to new and growing markets. This has generated a raft of new mobile investment activity in global business services (& global business services centres) to manage more complex global corporate structures and activities, such as shared services, customer support & customer management, business process outsourcing, supply-chain/procurement, IT operations, human resources and finance/transaction processing.

In Ireland, services that are traded internationally currently account for 43% of Irish exports. This is expected to rise to 50% by the end of the present decade[17].

Key Assets

Regional Competitiveness Agenda: Volume I for the South-East highlighted the fact that the region has a lower than average proportion of employment overall in services activities. Moreover, services growth (excluding the public sector) contributed significantly less in terms of employment creation in the South-East (38%) than it did nationally (50%) over the past 10 years. While overall growth in the sector has been relatively slow, employment in internationally traded services has been far more rapid. Employment levels in agency supported firms (typically internationally trading) almost quadrupled over the 1998 – 2008 period from a very low base of c.900 to over 4,000. Much of the growth is accounted for by investments by overseas companies into the region such as AOL (Carphone Warehouse); Sunlife Financial, State Street, PFPC, Equifax and Citi, while indigenous companies such as Bank of Ireland, VHI, Glanbia and Rigney Dolphin have also made a significant contribution. Amongst these companies, the main activities are funds administration and back-office processing for financial services, and customer/technical support services.

The region has built a sizeable portfolio of international financial services (IFS) companies which, depending on wider economic circumstances, can be a base for further growth. Many

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[16] ICT Software & Services are considered separately below

[17] Forfás (2008) *Catching the Wave – A Services Strategy for Ireland*

of these companies were attracted to the region because of its close proximity to Dublin, the availability of skilled people as against a tighter labour market in Dublin, and a lower relative cost base (lower attrition rates, lower property rents etc.). These companies have built strong relationships with the region's Institutes of Technology, particularly in course development to ensure a steady supply of appropriately skilled graduates.

The region has also built a strong cohort of relatively large contact centre operations, reflecting a core competency within the region that provides a basis for further growth and development. A challenge is the lack of multi-lingual activity within the existing range of companies which could be a competitive disadvantage in seeking to attract additional (customer-facing) activities serving broader, non-English-speaking markets.

Realising Potential

The Expert Group on Future Skills Needs, in its commentary on IFS noted that despite the success to date in attracting leading players to Ireland, there is recognition that the IFS industry is highly mobile and that Ireland needs to continue to invest to ensure the on-going development and growth of the sector[18]. This view equally holds true for the broader international services sector.

Future business investment within the region in international and financial services will require advanced, high quality and competitively priced broadband infrastructure and access to data centre capacity.

Foreign language skills will become increasingly important. However, the limited demand for language skills by the existing cohort of companies can result in reduced retention of graduates with such skills and perhaps reduced interest in acquiring language skills. A focus on innovative ways to promote language training and reinforce existing education initiatives within the region may enhance language capabilities in the region. Ensuring the region is attractive to overseas students and immigrants is also important.

IFS activities in the South-East are predominantly back office in nature. The future development and retention of financial services and other activities will require firms to build higher order functions into existing operations and for the region to enhance skills based differentiators. These are mutually reinforcing factors and will require collaborative initiatives between industry and the education sector within the region and with partners outside of the region.

ICT – Services & Software

A new environment has emerged for software companies globally in what has been called 'The New Software Economy'[19]. This new context sees a number of trends that provide both opportunities and challenges for software companies, and for small and medium sized companies and start-ups in particular. These trends include:

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[18] Expert Group on Future Skills Needs (December 2007) *The Future Skills and Research Needs of the International Financial Services Industry*

[19] Enterprise Ireland (2009) *Best Connected - Software from Ireland - A strategy for development of the indigenous software industry 2009-2013*

- Increasing end-user demand for less expensive, more efficient ways of paying for software

- Vendors responding to these demands by embracing new delivery and pricing models, such as software as a service (SaaS), infrastructure as a service (IaaS), platform as a service (Paas); and software on demand

- The emergence of the networked value chain, a distributed business model where different value adding activities are carried out where they can be done most efficiently and cost-effectively

- The application of software technologies (such as Services Oriented Architecture – SOA, Open Source, Web 2.0 and Mash-ups) are continuing to drive the development of new applications and business models.

These trends are reflected through the phenomenon of 'cloud computing' – a now widely used term to describe how scalable and flexible IT capabilities are provided as a service to multiple customers using internet technologies. The pay-as-you-go, subscription pricing of cloud computing can enable companies (with perhaps vast IT systems built up over years) to cut capital expenditure on IT while maintaining high quality IT services.

ICT Impacts All Sectors: ICT today is more than an enabling technology. It has a pervasive impact across most, if not all sectors. The application of ICTs can 'refresh' traditional sectors: it changes the way services are delivered e.g. remote learning or healthcare and diagnostics, simulation (training), virtual reality (architecture and design); it provides opportunities for new converged products and customised digital content (e.g. iPod, blackberry); and it enables the monitoring of large scale phenomena such as energy consumption, pollution, weather and global warming.

Key Assets

The dominant activity in the region within the ICT sector is software development. However, with the exception of the Sun Life Financial software development centre based in Waterford, activity is limited and small in scale. Nonetheless, the region has important assets that have the potential to place it in an advantageous position to exploit some of the global trends described above.

The two Institutes of Technology in the region have developed strong education and research programmes in software development. In IT Carlow, undergraduate courses are focused on software development, games development and IT systems management. Its applications software and networks research programme (GameCORE) is one of four Centres of Research and Enterprise (CORE) within the Institute. GameCORE is focused on industry relevant research under a number of themes, such as networks, games engines and development, and serious games for strategy, sports & health.

Unum and IT Carlow

The software development capabilities at IT Carlow were a key attractor in the recent investment by Unum, a US insurance company who have established a software development centre in Carlow. The company is developing a strong relationship with the Institute, helping to establish a Software Development unit at the Institute, and will also offer internships within its company in Ireland and the US for students pursuing the BSc (Hons) in Software Development at the Institute.

WIT also delivers strong undergraduate and post-graduate programmes in software development. Based on its excellent track record in telecommunications software and systems research, through the TSSG Group, it is the first of the IoTs in Ireland to lead an SFI funded Strategic Research Cluster (FAME – Federated Autonomic Management of End-to-end Communications Services). The TSSG's main area of research is communications software services and it has developed strong expertise in the areas of distributed systems and service oriented architecture.

With 160 active staff and students, the TSSG is a significant pool of specialist expertise within the South-East (and is itself a significant employer). The Group promotes a trans-disciplinary approach, combining mainly engineering, computing and business, and seeks to achieve both academic and commercial excellence. It has formed strategic research partnerships with high profile industry players in Ireland and elsewhere (e.g. Cisco Systems, Ericsson, IBM, Telefonica and HP). The TSSG's commercial division has also created new companies which have emanated from TSSG's research activity (spin-outs) and has also attracted companies to locate some or all of their activity in Waterford with links to the TSSG (spin-ins). The companies typify the kind of activities associated with the 'new software economy' and include: Nubiq – mobile website generation and personalisation; Akruu – on-line billing and accounting services; Hasf6 – interactive radio; IMS-Stream – VoIP solutions.

Realising Potential

The Institutes of Technology in the region have adopted a focused approach in the area of software development and are developing strong relationships with industry within the region in terms of undergraduate and postgraduate course development. The limited scope for industry collaborative research within the region will require a continued outward focus by the HEIs on developing links beyond the region.

The TSSG's deepening expertise in the area of future internet infrastructure and services and its strong commercial focus provides the region with a strong platform for future indigenous and FDI enterprise potential.

LifeSciences

Globally the LifeSciences sector is facing significant developments. Aging demographics and increases in chronic illnesses, more informed consumers, and a focus on 'wellness' provide high growth opportunities. There is also a greater focus on enhanced efficacy of treatments and cost within increasingly pressurised health systems. Technological advances and convergence across the life sciences sub-sectors and with other sectors such as engineering and ICT are enabling a shift towards convergent medical products and personalised healthcare[20].

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[20] Personalised healthcare involves capturing individual genetic, behavioural and environmental information to define individual prescriptions for health maintenance, disease prediction, prevention, and tailored therapy. A wider definition of personalised healthcare embraces research, diagnostics and testing, delivery mechanisms and devices and the concept of 'the appropriate treatment, in the appropriate way, to the appropriate patient at the appropriate time'

There has also been an increase in disaggregation of value chain activities within the sector creating opportunities for smaller companies to position themselves within the global supply chain with innovative, technology intensive solutions, partnering opportunities, shared revenue deals and licensing. Multinational companies in the sector are tending to focus on activities where they have strengths and to outsource non-core activities (such as late stage manufacturing, clinical trials processes etc.) to contract research organisations (CROs) and contract manufacturing organisations (CMOs).

Key Assets

The South-East region has a growing base of companies involved in a variety of life sciences related activity, principally but not exclusively, manufacturing. The internationally trading companies[21] within the sector account for just over one-fifth of employment overall, having almost doubled between 1998 and 2008, to over 6,500. The region's traditionally strong engineering and manufacturing base and competency in software development has also seen a growth in a variety of sub-supply and services activities serving the life sciences sector e.g. Dataworks (Waterford based Irish software company providing manufacturing control systems), and Eirgen (Waterford based Irish pharmaceuticals company specialising in formulation development and clinical trials supply services).

Some of the major life-sciences companies undertake in-firm research and development activities, for example Genzyme, Merck Sharpe & Dohme (Ballydine) & Bausch & Lomb. The Glanbia Group has established a strong presence in nutraceuticals/functional foods through the establishment of the Glanbia Group Innovation Centre (GIC) in Kilkenny.

The South-East has additional capacity for growth in LifeSciences manufacturing with the availability of a utility-intensive strategic site in Belview outside Waterford City and other land-banks elsewhere in the region.

In line with the overall growth in activity within the region, the regionally based Institutes of Technology in both Carlow and Waterford have developed enhanced competence in LifeSciences related research and education and have been proactive in establishing relationships with companies within the region. Key examples are:

- The Pharmaceutical and Molecular Biotechnology Research Centre (PMBRC) at WIT comprises a 40 strong research team with expertise in separation science, polymer science, molecular biotechnology, nanotechnology and biomedical science. Key research themes are: drug delivery technologies and development of novel process technologies. The group has secured INTERREG IIIA funding to establish an 'innovation network' of life sciences companies and research expertise within the region

- IT Carlow's Industrial Design and Product Innovation Centre includes a thematic focus on Applied Human Factors / Interface and Design Aesthetics; Design of Personal Medical Devices; Sustainable Design & Innovation; Parametric Modelling and Rapid Prototyping which have varying applications in the Medical Technologies area

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[21] Using enterprise agency supported companies as a proxy (Forfás, Annual Employment Survey, 2008)

▪ Both IT Carlow and WIT have a strong focus on environmental sciences through the EnviroCORE and Eco-Innovation (EIRC) research centres respectively, aspects of which have application in the broader life sciences arena.

Figure 3: LifeSciences Sector – Enterprise and Research Activity

Realising Potential

The development of the life sciences sector in the South-East should be considered in the context of the sector nationally. Proximity to the major concentration of activity in the Cork area demonstrates the potential to develop a critical mass in the South by stimulating strategic inter-regional linkages - through wider industry networks, HEI-industry research partnerships and through labour market dynamics.

The South-East is well placed to leverage its particular strengths in manufacturing to support the next generation of production. The LifeSciences recently published by Forfás notes that future manufacturing will become increasingly complex and will require knowledge and expertise across a range of disciplines, and an ability to work in multidisciplinary environments[22]. The HEIs in the region will have a key role to play in developing and delivering programmes providing for up-skilling relevant personnel as well as ensuring that mainstream undergraduate programmes evolve to meet the needs of the sector.

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[22] Forfás (2009) *Health Life Sciences in Ireland - An Enterprise Outlook*

5. Realising Future Potential: Enhancing the Business Environment

The region has many of the building blocks in place to attract investment from foreign and indigenous firms. But as the ways of doing business are changing, so too are the needs of firms to enable them to compete effectively from Ireland on the global stage. To achieve Ireland's ambition as outlined in the Smart Economy, the business environment needs to continuously evolve to meet these changing needs – to provide a dynamic environment that is supportive of early start ups and entrepreneurial activities, that stimulates company engagement in innovation and R&D and that ensures that companies have access to the high quality skills and supports that they require.

Leadership and Strategic Capacity

The ability of a region to realise its economic potential hinges very much on the ability of key regional stakeholders to act cohesively - in support of key enterprise sectors/activities with potential for growth, and in the co-ordinated delivery of essential infrastructures where appropriate.

The South-East region as an administrative entity in itself immediately presents a challenge, with six local authority structures across five counties. Added to this, there are five relatively large centres of population, with the designated regional Gateway having a limited physical presence in terms of scale and population size, and in terms of its location at the southern end of the expansive region. The city also extends across the local authority boundary with Co. Kilkenny, a factor which has, over the years, hampered its northward development.

The region has also been characterised by different population change dynamics; in the north of the region, due to proximity to Dublin, parts of counties Carlow and Wexford have become part of the Dublin commuter belt and have experienced rapid population growth, while more modest growth has been experienced elsewhere. The region is fortunate in possessing two Institutes of Technology, as well as other significant third level providers (including Tipperary Institute and Carlow College); however, competitive pressures have seen a less than cohesive approach to third level provision and research endeavour within the region.

With all of these divergent dynamics within the South-East, is it realistic to suggest that cohesive action is possible and even desirable? On both counts the answer is yes, and there are good examples of where the regional stakeholders have acted collaboratively to achieve certain regional goals - for instance, the co-ordination and roll-out of the MANs project, or the organisation of 'Enterprise Week' which is co-ordinated through the Spirit of Enterprise Forum.

There is an opportunity through the existing regional authority and/or Spirit of Enterprise Forum to provide strong leadership and a space for constructive debate on overarching strategic issues, not least the accelerated development of Waterford City as the regional Gateway. The regional stakeholders also need to consider the unique urban configuration within the region and how the other strong centres in the South-East along with the Gateway can operate more effectively in concert to achieve critical mass.

Spirit of Enterprise Forum

The Spirit of Enterprise Forum is an integrated, interactive group of all interested parties involved in the promotion and encouragement of enterprise and entrepreneurship in the South-East region. The Forum recognises that a critical element to the success of the South-East developing as an entrepreneurial region is to have co-operation, dialogue and common regional goals with and between the Regional Authority, Enterprise Support Agencies, Higher Education Institutions, Primary and Post-Primary Teaching, Research Organisations, Entrepreneurs, Industry Representatives (indigenous and multi-national), Local Government, Research Centres and the WIT Centre for Entrepreneurship. The Forum meets every quarter and one of its key achievements, now in its third year, has been the establishment of a Spirit of Enterprise Week: a week of intensive advice, inspiration and training to stimulate entrepreneurship and business growth, that includes a variety of events that are coordinated throughout the South-East region.

http://www.spiritofenterprise.ie/

Stimulating Entrepreneurship

Whereas mobile investment tends to be attracted to the larger urban areas, there is potential within the region to create competitive environments to attract a concentration of new company start-ups in the hub towns and other locations. As an increasing number of people face unemployment, many are stimulated to develop their own businesses and consider entrepreneurship as a realistic option. The region needs to ensure that it facilitates ease of access to the 'right' information at the right time and in the right way to enable individuals to realise their potential. There are a number of factors that can influence where new companies establish, and the local authorities in the region, the enterprise agencies and education institutes can work together to ensure that all the elements are in place and working in a complementary and interactive way. Some of the key requirements for successful start-ups are as follows:

Physical infrastructures

- The availability of competitively priced properties and attractive business and industrial parks that accommodate mixed-use businesses in a planned, strategic and discerning way that recognises the different needs of business activities (e.g. office, industrial, warehousing)

- Serviced office / business locations, that enable companies to access core support services such as reception, secretariat, accounting, HR, facilities management etc.

- Car parking and/or effective public transport networks

- Broadband capacity and availability in business premises and in the home

- Quality of life – housing infrastructures, travel to work times etc.

'Softer' factors

- Access to regionally based skills

- Ease of access to business management development, mentoring support and training

- Ease of access to harness the capabilities of HEIs and support to invest in in-firm innovation

- Access to markets and to market intelligence
- Facilitated networking, introductions and access to shared learning opportunities (e.g. through business networks, workshops, seminars).

The GEM entrepreneurship report contains some positive indicators for the South-East Region. Of particular note is that the region generates the highest rate of early stage entrepreneurship of all the regions in Ireland[23]. It is estimated that the rate of new firm formation is second only to Dublin. Anecdotal evidence from EI confirms a distinct increase in new business prospects over recent months, which is happening in the context of increasing unemployment and the proactive EnterpriseSTART initiative currently being rolled out regionally by EI in conjunction with the CEBs.

Ideagen

Ideagen is new initiative involving a collaboration between four HEIs in the South-East (IT Carlow, WIT, NUI Maynooth (Kilkenny Campus) and Tipperary Institute) and the Spirit of Enterprise Forum, in partnership with EI.

The initiative seeks to stimulate the next wave of research collaborations and market led business innovations in the South-East. Through networking events, Ideagen brings together researchers, sectoral experts and entrepreneurs for on the spot brain-storming and knowledge sharing on successful commercialisation strategies. The intention is for Ideagen to spark new ideas for new businesses and joint ventures with high-growth potential in an open environment.

Despite level of early stage activity within the region, the trend has been for businesses to remain very small and to trade locally. The relatively low level of HPSUs emerging from the region reflects this pattern.

In addition, current labour market trends have seen increasing levels of highly skilled people becoming unemployed. Although the scale of the phenomenon is not clear in the South-East, there is a possibility that these highly skilled individuals may decide to leave the region. A specific focus on harnessing the entrepreneurship capabilities within this cohort to stimulate new business start-ups is required.

The region has a range of support structures and services in place for entrepreneurship and business development, including EI, CEBs, SEBIC, SEEPP, Local Development Partnerships and the HEIs[24]. It is crucial that the efforts being made by these bodies individually are complementary and best use is being made of limited resources. It is also important that successful initiatives and experiences are shared.

The Spirit of Enterprise initiative (see box above) is particular to the South-East Region. Adopting a cross-regional partnership approach, the Spirit of Enterprise Forum has co-ordinated a 'Make Business Happen' conference and 'Enterprise Week'. The initiative has introduced a coherent approach to enterprise and entrepreneurship development within the region that can be built upon.

Also, Waterford City Development Board along with the enterprise agencies has developed a website to provide a 'one-stop' information portal for businesses. It is a good example of what can be done locally and incorporates an excellent 'which agency can help me' chart

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[23] New firms and nascent entrepreneurs

[24] SEBIC – South-East Business Incubation Centre; SEEPP – South-East Enterprise Platform Program

(Figure 4 below). Consideration should be given to developing a region-wide approach of this nature.

Figure 4: Map of Enterprise Agencies from 'waterfordbusinessinfo.ie' website
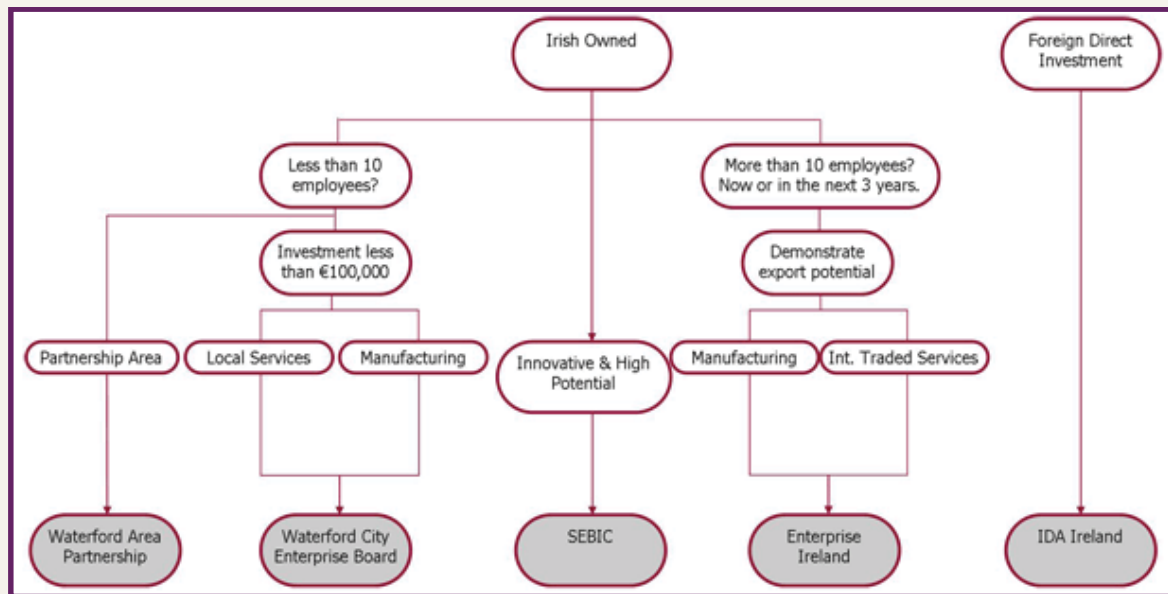
Enhancing Quality of Life

The South-East has many positive quality of life attributes, particularly those associated with its high quality natural environment and the range of very accessible cultural and recreational amenities across the region. In addition, the dispersed, but reasonably well connected, urban configuration presents considerable choice in terms of housing, employment, recreation, shopping, entertainment etc. From a regional competitiveness perspective, quality of life factors play a key role. Because quality of life is a subjective concept it is difficult to measure actual impact or determine what aspect is more important over another; however the key considerations from an enterprise development perspective suggest a broadly based interpretation based in the main on inclusiveness and diversity. These considerations are:

- attracting and retaining skilled people, particularly internationally mobile skilled labour; and
- creating the conditions to foster and support innovation, creativity and knowledge generation/transfer.

The strong quality of life attributes of the South-East are key assets in achieving these two objectives. However, there are some opportunities for strengthening the quality of life proposition of the region.

The fragmented and competitive urban structure in the region with the associated lack of spatially concentrated critical mass may militate against the development of larger scale cultural facilities and events which typify larger city regions. A regional focus based on maximising collective assets could help to generate innovative projects that could raise the profile of the region nationally and internationally. The regional approach adopted by Fáilte

Ireland for the South-East is a good example of how a diverse offering can be combined to present a comprehensive package to prospective tourists.

It is important that there is a specific focus on promoting the attractiveness of the regional Gateway and supporting initiatives to enhance the quality of life within Waterford City and its immediate environs. Key challenges for the Gateway in this respect are: developing a positive city brand; tackling social exclusion; continually enhancing the city's built environment (streetscapes, public spaces, transport and communications networks etc.) through careful and sustainable planning. The potential of the city to assert a positive national and international image has been demonstrated through its hosting of the Tall Ships Race in 2005 and securing its return in 2011.

As a measure to tackle social exclusion and offset the negative effects of rising unemployment, a focus on building a stronger community spirit throughout the region could have a very positive impact on quality of life in general. One aspect that could have several positive benefits is the promotion of volunteerism. A high profile example of how volunteerism can reap significant benefits is the annual Spraoi festival in Waterford City which has been built on extensive voluntary input. A collaborative regional initiative to highlight, promote and perhaps reward volunteerism could be developed.

Innovation and R&D

Innovation is about translating ideas into high-value products and services. There are many sources of innovation, including end customers, firms with complementary products and/or services, and research institutes.

Figure 5 – Activities that Stimulate Innovation
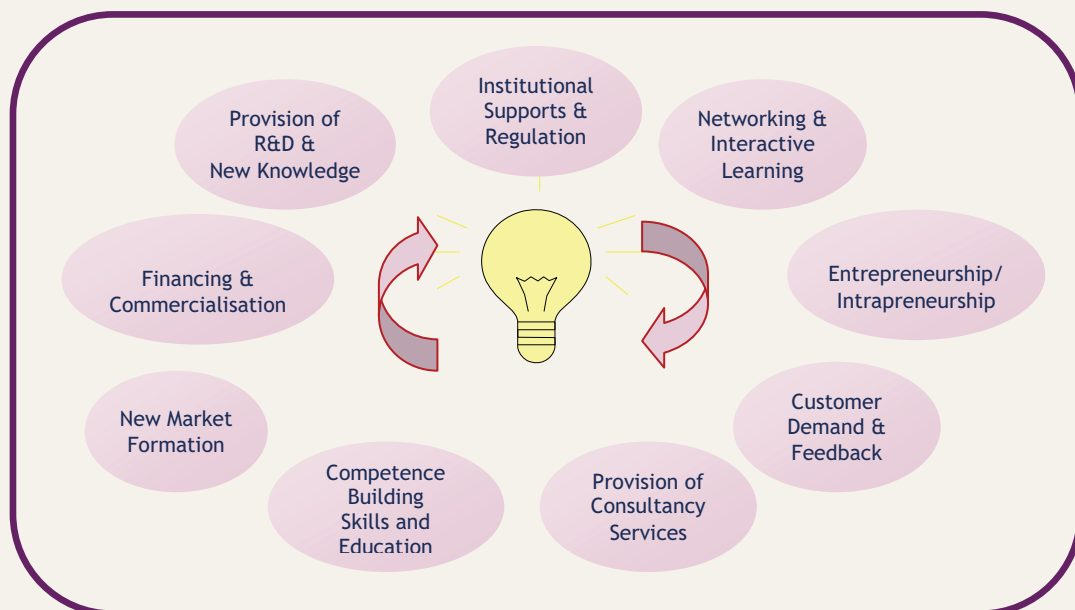
Source: Based on Edquist (2005) 'Systems of Innovation - Perspectives & Challenges' in Fagerberg et al (2005) *The Oxford Handbook of Innovation*

The entire 'innovation system' involves a number of elements, each of which is important in its own right. Successful innovation at regional level is based on the effective interaction between the elements and engagement by firms, Higher Education Institutions, Government Departments and Development Agencies. Regions do not (and should not) operate in isolation, but do so within the wider national context. Accordingly, interactions at both national and international levels also play an important role.

The factors that influence the development, diffusion and use of innovation are not independent of each other:

- Innovative thinking and creativity is stimulated in an environment that is dynamic, interactive and collaborative

- Enablers and supports provided by government facilitate innovation and range from establishing the 'right' fiscal, IP and regulatory environment, to supporting education and training, to providing funding for R&D initiatives and through to facilitating networks and 'on-the-ground' introductions and ease of access to technologies

- Government departments and agencies themselves can directly stimulate innovative capacity by developing innovative ways of enhancing service delivery and engaging with the business community.

Many of the 'building blocks' are in place in the South-East region in terms of incubation centres, research institutes, technology parks and business networks. There are also a number of supports available through the enterprise agencies and elsewhere including company network supports, industry-led research platforms, innovation vouchers, and skillnets.

The ability of SMEs to innovate may be limited by firms' capacity to absorb and adapt new technologies developed by others (such as HEIs), or by their understanding of the benefits of collaboration with others in a way that realises the value of complementary capabilities (rather than direct competition in the same 'space'), or even a lack of awareness of the supports currently available to them.

Realising the potential contained in the sectors outlined earlier in Section 4 will depend on the ability of existing firms to add value to the products and services they produce, the processes they employ to create them, and the strategies they employ to market and sell. It will also rely on the region's ability to stimulate entrepreneurship and promote entrepreneurial thinking. The capacity to innovate is at the heart of that ability and the challenge presents itself for the regional actors to harness resources and existing assets in a collaborative and cohesive way to further stimulate innovative activities and, in particular, engagement by SMEs. The public sector can play an important role by being itself a proactive exemplar through supporting in-house innovative approaches across all activities. The public sector can also encourage innovation and participation by innovative SMEs through more creative use of standards (and in particular open standards) in procurement[25].

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[25] The report of the Procurement Innovation Group (July 2009) *Using Public Procurement to Stimulate Innovation and SME Access to Public Contracts* is relevant in this regard

Skills and Education

As in the rest of the economy, the South-East is facing a major skills deployment issue over the medium term. Large scale unemployment makes skill retention and development a daunting task. A number of issues are at play, the resolution of which will not be in the power of the region alone to achieve. The principal skills issues facing the region are:

- Low levels of educational attainment, both at leaving certificate and graduate level compared to other regions

- High numbers of relatively low skilled unemployed

- High levels of skills where demand has reduced significantly, and

- High levels of skilled unemployed.

The Mid-West taking a proactive approach

Túsnua is a new initiative, launched by LIT, and including UL, FÁS, Enterprise Ireland, IDA the VECs, and the City and County Development Boards which aims to retrain and educate those who have lost their jobs by providing comprehensive details about opportunities across the Mid-West. Túsnua (translated as New Start) is a response to the increasing number of job cuts recently in Limerick and the MidWest region.

National policy and general economic conditions will have a greater impact on resolving this challenge than regional level interventions. However, regional interventions can ameliorate the negative consequences in the immediate term, and help to prepare the labour force to take greater advantage of an economic up-turn when it arrives.

The principal actors in such interventions will be the educational system, training providers such as FÁS and the enterprise support agencies, and other interested stakeholders representing business, local authority and community interests.

Skills related labour market interventions at both national and regional level will need to realise the following aims:

Increased educational attainment

The South-East region has more people without a leaving cert level qualification than almost any other region in the country (with the exception of the Border), and one of the lowest levels of third level educational attainment in the country. The impact of this skills deficit has been mitigated in recent years by the abundance of jobs in sectors which did not (in the main) require high levels of education, such as construction and retail trade, and in agriculture and low-skilled manufacturing in earlier decades. With the collapse of the construction boom, the associated decline in retail trade the limitations of the South-East's skills profile may be more severely felt.

In the immediate term, those who have left education without completing the leaving certificate or a primary third level qualification need to be skilled to a minimum standard which will enable them to improve their employment prospects. Those still in education should be strongly encouraged to obtain minimum level qualifications before entering the labour force.

Of paramount importance will be the role of third level educational providers in the region (and in adjacent regions) in producing graduates with enterprise focused skills, oriented towards sectors which are growing or have strong potential to grow within the region.

Up-skilling/ Re-Skilling

Alongside the need to produce industry oriented graduates will be the requirement to retrain workers whose skill sets are less in demand. Again, the IoTs in the region will have a key role to play in this regard, alongside FÁS, and other stakeholders. Initiatives such as the North West Cross-Border Workforce Development Forum can be important tools in identifying how the existing skills base can be re-oriented towards areas of growing skills demand within the region[26]. The forum is made up of representatives from business, higher education and local government and it seeks to facilitate the supply of appropriately skilled labour to local employers by identifying regional skills needs and the means to address them. Such a forum could be established in other parts of the country, including the South-East.

Skills retention

In the context of rising unemployment across a wide range of sectors and professions, the retention of existing skills within the region is a key concern. Efforts should be made to encourage professionals who have been made unemployed within the region to attempt to reapply their skills within the locality in an entrepreneurial fashion that may stimulate new business start-ups. A co-ordinated approach by key agencies such as FÁS, CEBs and EI to stimulate such activity could be effective.

Connectivity Infrastructures

As companies increasingly engage in activities that involve building direct relationships with customers, international management, and building new markets, ease of access is paramount (both physical and electronic), regardless of what sector and/or activity a company is involved in.

Broadband

High speed broadband is *the* critical infrastructure to enable regional development and is a fundamental requirement for all businesses of the future. The opportunity for SMEs to improve business productivity, tap into new markets and to innovate in new service delivery can be facilitated through effective use of IT applications and broadband infrastructures. Broadband challenges need to be addressed at a national level and from a regional perspective the price performance differential is a significant disincentive for companies to base outside of Dublin, and is a barrier to realising the future potential within the regions.

The development agencies contend that the future needs of enterprise require investment in Next Generation Networks and have identified specific targets in their response to consultations issued by the DCENR:

- Access to next generation infrastructure and services in all the gateways of at least 12Mbps uncontended, symmetric service for premises and homes by 2012;

- Access to next generation infrastructure and services in all the hubs and county towns of at least 12Mbps uncontended, symmetric service for premises and homes by 2015.

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[26] http://www.delni.gov.uk/workforce_development_forum_final_report_pdf.pdf

As is the case nationally, much of the major infrastructure is in place to deliver high speed internet to the majority of potential users in the South-East region. However, 'last mile' connection issues continue to hamper the roll out of essential broadband access to many households and SMEs.

National efforts will have to be made to overcome these issues in the main, however, regional broadband solutions are possible in the interim; Louth County Council's usage of sewerage infrastructure to access buildings is a good example of overcoming last mile connection problems. Efforts should be made to publicise the technology that is available to the region, and low cost connection solutions promoted to the public and small industry.

Access Infrastructure

Road

Road infrastructure in the South-East has improved dramatically in recent years. The M9 Waterford-Dublin motorway due for completion in 2010 creates a north-south transport spine for the region that connects some of the region's main centres. Good links also exist from Waterford to Cork, and the newly opened Waterford bypass will further improve connections in the region. A number of issues remain to be addressed with regard to road infrastructure however.

The N24 is an important access route for the region, linking the Atlantic Corridor gateways of Limerick and Waterford and providing access from the South-East to trans-Atlantic and European connectivity through Shannon Airport. While the Limerick South Ring will help to alleviate congestion issues regarding airport access, and the Waterford City Bypass will help traffic movement towards the ports at Belview (Waterford) and Rosslare, the N24 road remains of poor standard and requires upgrade. The N24 route has wider significance in facilitating logistics movement from the North-West, West and Mid-West.

A significant bottleneck on the N25 at New Ross continues to cause problems (especially at peak times) for port accessibility to/from Rosslare and commuter traffic to Waterford. Enniscorthy is also a bottleneck for traffic accessing Waterford and the South-East via the N11.

Intra-regional connectivity between the Gateway, Hubs and County towns and other urban centres needs to be improved. Quality enhancements on the N80 (Enniscorthy-Carlow and on to Tullamore), the N76 (Clonmel-Kilkenny) and the N77 (Kilkenny-Durrow) are required.

Rail

Rail services in the region are under-developed due to a combination of inter-related factors including time-tabling issues, lack of demand and limitations due to existing track infrastructure. While improvements have been achieved – for example enhanced commuter services to Dublin (from Carlow and Wexford especially) and the introduction of an early morning service on the Waterford-Dublin inter-city line, services overall remain infrequent and journey times too long.

Key enhancements are required in the following areas:

- A reduction in travel time (to two hours) on Dublin-Waterford services[27]

- An increased level of service on the Limerick-Waterford route

- Development of freight services in the region, serving port facilities at Waterford and Rosslare.

Air

Primary international air access for the region is through airports at Cork, Dublin or Shannon, and accessibility varies depending on location within the South-East. Road infrastructure improvements mentioned above should significantly lessen the travel time to Dublin Airport (especially along the M9) from Waterford, Kilkenny and Carlow. As mentioned above, access to Shannon airport is hampered by the poor quality of the N24 and congestion around Limerick (although the latter should be resolved with the completion of the southern ring road).

Waterford Airport operates without a PSO supported service to Dublin and has concentrated on developing services to the UK and to Europe. The airport also carries out a wide range of other activities including: a major Coastguard base, private and business aviation, the Pilot Training College of Ireland, cabin crew training, and light aircraft maintenance. Albeit from a low base, the airport has achieved a fourfold increase in passenger numbers between 2003 and 2008.[28]

Waterford Airport can play an important role in offering alternative and convenient services to business travellers into the UK and other European Hubs, and in strengthening the tourism proposition for the region. Future expansion of services will require implementation of critically important infrastructure developments including a runway extension to accommodate larger jet aircraft (c.20m government funding is currently on hold). Further development of tourism-related opportunities will require a specific focus - in conjunction with Fáilte Ireland and other relevant stakeholders.

Utilities

Electricity

According to Eirgrid, the national electricity infrastructure provider, electricity demand in the South-East is expected to increase by over 45% by 2025. To facilitate this demand, Eirgrid has suggested that the following investments in the South-East's electricity grid are necessary;

- An investment of approximately €830m to upgrade approximately 490 km of the existing network and to build new infrastructure;

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[27] Iarnród Éireann have recently announced the commencement at the end of November 2009 of a new express train from Waterford City to Dublin (Monday to Saturday) departing at 7:10am and arriving in Heuston two hours later with only one stop in Carlow. Journey times will be reduced by as much as 15 minutes on existing services due to operational improvements arising from introduction of new fleet

[28] BMW Regional Assembly (2009) *Maximising the Economic Impact of Airports in the BMW Region*

- Strengthening of the 220 kV links to both Dublin and Cork to facilitate increased power flows;

- Strengthening the networks supplying the major cities and towns in the region;

- Reinforcement of current infrastructure, including uprating 110 kV and 220 kV circuits, while maximising the use of existing corridors where possible.

Water and Waste Water

Substantial investment in the region's water and waste water infrastructure has been undertaken in recent years through the individual local authorities. Continued investment in water services under the current NDP aims to address remaining capacity shortages.

In the recent Forfás (2008) assessment of water and waste water services from an enterprise perspective, a number of issues were highlighted for the South-East, including an insufficiency of water treatment capacity in Waterford as of 2008, and capacity deficits in waste water treatment in Waterford as of 2008 and in Wexford by 2013[29]. It is expected that planned water and waste water infrastructure projects will substantially address these deficits.

The Forfás report also examined non-domestic charges for water and waste water and it is notable that amongst the local authority areas with Gateways and Hubs, Wexford and Kilkenny had the highest combined water and waste water service charges, while similar charges in Waterford County were above the national average and tenth highest nationally out of 23 local authority areas considered. Waterford City had the third lowest combined water and waste water charges out of the areas considered.

A variety of factors can contribute to higher water and waste water charges being levied in certain local authority areas. Reasons for higher charges need to be identified and addressed where possible.

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[29] Forfás (2008) *Assessment of Water and Waste Water Services for Enterprise*

6. Priority Actions

Many of the suggested actions below will serve to address a number of the opportunities and challenges identified in this report. There are many actions that can be taken at a regional level, with the relevant regional stakeholders acting collaboratively, and others that require a national response. However, it is incumbent upon the regional actors to also consider how they can best take advantage of national initiatives and their delivery - locally.

A number of cross-cutting recommendations concerning national level action arise from Forfás' work in relation to all of the individual regions as part of the Regional Competitiveness Agendas process. These are set out in the final report: *Regional Competitiveness Agendas: Overview, Findings and Actions*, which is available separately. Key areas of focus are: infrastructure - planning, development & delivery; accelerated development of the gateways (including leadership and governance issues); and mechanisms to initiate and support enterprise related regionally based initiatives).

The following are considered priority areas for action in relation to the South-East.

Accelerated Development of the Gateway

Continued focus is required to accelerate the development of Waterford as the regional Gateway. It is important that a cohesive approach to planning and development of the Gateway is maintained. This should be the focus of a cross-regional Gateway Implementation Group.

Enhanced Agency Collaboration

As ways of doing business are changing, firms will increasingly engage in alliances, partnerships and networks, both in Ireland and across the world. Business models are being transformed whereby open innovation (across companies) is becoming a reality; smaller technology intensive companies have a range of options for targeting their end customers, including entering into licensing and/or revenue sharing arrangements with larger global companies. As companies increasingly network, the enterprise development agencies in the South-East can also enhance their collaborative actions to facilitate companies in this environment.

- The enterprise development focused Spirit of Enterprise Forum is a significant initiative with potential to provide leadership and a cohesive approach to supporting enterprise development in the region. The Forum can be the vehicle to drive many of the priority actions set out here.

- Ongoing and structured communications between the enterprise agencies and the HEIs (in terms of innovation, technology transfer, skills needs etc) is required – focused on a clear agenda, objectives and actions.

- Working across the community of multinational and indigenous firms, the agencies can work to facilitate structured interactions and networking between firms, and between

HEIs and firms, by promoting awareness of existing initiatives, such as: the Industry Led Research Platform programme, Competence Centres Initiative, etc.

▪ It is important that interactions between sectors are initiated - particularly where there are opportunities for convergence (e.g. medical devices and ICT; agri-business and environment/life sciences), working with the relevant industry associations and the HEIs.

▪ Promote interaction between indigenous SMEs and MNCs in the region - for example, include relevant indigenous companies as demonstration sites on inward investment itineraries and encourage joint overseas and indigenous company participation in trade missions.

▪ Further engagement will be required to advance specific actions to achieve the potential of opportunity sectors in the region. The formation of small, sectorally focused teams under a regional umbrella - possibly the Spirit of Enterprise Forum - to further explore specific opportunities in identified sectors could be most effective.

Building Innovative Capacity

It is important that a broadly based approach to supporting innovation is adapted to reflect its diverse nature and sources; specific actions may include the following:

▪ Encourage an innovative mindset in the region through the promotion of examples of successful innovation from across the public and private sector.

▪ Government bodies and agencies in the South-East could assess how they themselves can engage in innovation, improve performance, increase service efficiency and minimise costs. Innovation in the public sector can improve innovative capacity within its own workforce, and stimulate innovative practices in business-facing services (Development Agencies, Local Authorities).

▪ Consider how best to enable companies to access technologies and research from HEIs, for example:

  ◻ HEIs and research institutes to provide information on their websites from the perspective of the end-user (including industry interests in research) so that research capabilities are demonstrated and searchable in terms of technologies and their application to 'real' industry problems/potential *(and not by research department)*

Stimulating Entrepreneurship

The relatively high level of early stage entrepreneurial activity in the South-East offers potential for future enterprise growth in the region and needs to be nurtured in a supportive environment:

▪ Provide clarity on the availability of business supports to potential entrepreneurs, the role of each regionally based agency and key contacts in order to avoid a 'pillar to post' scenario. Consider developing a regional web portal along the lines of the existing Waterford City website at http://www.waterfordbusinessinfo.ie

- Harness the capabilities of the 'new' highly skilled professional unemployed to identify potential business start-up opportunities and to further develop innovative and entrepreneurial capacity (e.g. IP negotiations, developing business plans, identification of sources of finance, mentoring).

- Recognising the resources of potential entrepreneurs from the farming community, and given the business opportunities that are arising in the agri-business/environmental sectors, ensure optimal co-ordination of supports from relevant agencies such as Teargas, EI, LEADER and the CEBs.

Skills Development

- A continued focus on aligning education provision with industry needs in the region is required – through collaborative actions (enterprise agencies, industry & HEIs), course development etc.

- Develop a specific collaborative regional initiative on upskilling and reskilling (considering innovative delivery/access) - focusing on people in the labour force with basic/sector-specific qualifications who are seeking to broaden their potential employment options.

Physical Infrastructures

Broadband

- High quality and pervasive broadband is a fundamental enterprise and quality of life requirement. National efforts will have to be made to overcome these issues in the main; however, regional broadband solutions are possible in the interim. Efforts should be made to publicise what technology is available to the region, and low cost connection solutions promoted to the public and small industry.

- An extension of the MAN in Waterford City to encompass developing areas in the city such as Belview Port is required.

Roads

- Major progress will have been achieved in relation to road transport connectivity with the completion in 2010 of the N9/10 major inter-urban route, and the N25 Waterford by-pass. The current budgetary constraints will limit progress on any additional road infrastructure upgrades. However, the following routes should commence at the earliest opportunity:

  - N11 (Arklow/Rathnew; Enniscorthy By-pass)
  - N25 (New Ross By-pass)
  - N24 (various improvement schemes along N24 route)[30]

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[30] The South-East Regional Authority have produced a report examining the need for an upgrade of the N24, which is available at: http://www.sera.ie/N24%20Study.htm

- To enhance connectivity between the main regional centres (Clonmel, Kilkenny, Carlow, Wexford and Waterford), improvements in some secondary roads will be required – for example the N76 and the R700/705.

Regional Airport

- In light of the imminent completion of the M9 motorway to Dublin providing enhanced accessibility to Dublin Airport (and the possible cuts to exchequer spending on regional airports) a focus on developing the role of Waterford airport in the regional context (for both business and tourism) is necessary.

Rail

- To achieve optimum utilisation and advantage of the regional rail infrastructure (especially the under-utilised Waterford–Limerick service) a focused review of time-tabling and service provision on all routes is required and the necessary improvements made[31].

Water/Wastewater

- Continue with planned investments in water and waste water infrastructure to ensure forecast deficits in key centres do not arise.

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[31] Iarnród Éireann have recently announced the commencement at the end of November 2009 of a new express train from Waterford City to Dublin (Monday to Saturday) departing at 7:10am and arriving in Heuston two hours later with only one stop in Carlow. Journey times will be reduced by as much as 15 minutes on existing services due to operational improvements arising from introduction of new fleet

Appendix I

Existing Enterprise Agencies, Initiatives and Supports[32]

The enterprise development agencies play a key role in stimulating the development of new businesses, facilitating the expansion of existing companies, and targeting new foreign direct investment through a broad range of initiatives. In conjunction with Forfás they influence policy by providing on-the-ground information about the real issues facing business (in areas such as infrastructures, education and regulatory environment).

The agencies work together to market and promote Ireland internationally as a 'good place to do business' and with a strong reputation for high quality exports, and within that context marketing the capabilities of regions specific to potential investors' needs. All of the agencies work to deliver value for money for their expenditure, which is monitored using a range of indicators including increased exports, productivity, innovation and employment.

Enterprise Ireland

Enterprise Ireland's core objective is to drive export growth by creating and growing internationally competitive businesses and facilitating entrepreneurship throughout the country. They have offices and representatives established in a range of locations throughout the country and their regional headquarters is based in Shannon. They also have a range of offices overseas that facilitate and support companies in gaining a foothold in new markets. They provide both financial and 'softer' supports to:

- Stimulate and support entrepreneurship

- Stimulate investment in R&D and innovation – through financial supports, Intellectual Property advice, TechSource (technology acquisition)

- Support company expansions and investment in capital and productivity initiatives

- Provide supports for training and management development

- Facilitate companies to participate in trade missions across the world, enable introductions and provide guidance to accessing new markets

- Provide supports for mentoring specific to a business' requirements (e.g. in marketing, finance etc.)

- Facilitate establishment of business networks and facilitate linkages with HEIs (through Innovation, Industry-Led Research Platform and Business Networks programmes, and through supports for Technology Transfer Offices)

- Support the provision of a range of property solutions.

Enterprise Ireland Activity in the South-East Region

The Enterprise Ireland client base in the South-East (in 2008) employs over 17,000 people, accounts for approximately 8% of total employment in the region, and is dominated by firms

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[32] This overview represents a selection of existing agencies, initiatives and supports and is not a complete listing

in the food, non-metallic mineral products, basic and fabricated metal products and machinery and equipment sectors (see below).

Figure (a): Employment in EI supported companies in the South-East, by sector (2008)
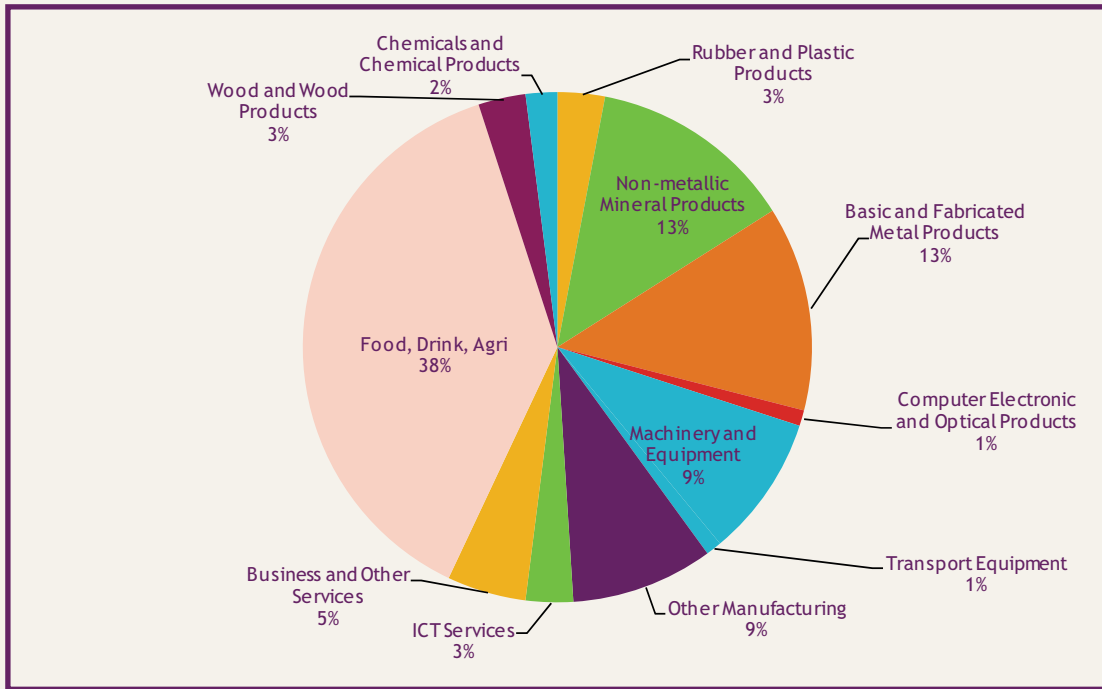
Source: Forfás, Annual Employment Survey, 2008

Enterprise Ireland has supported the development of 15 Community Enterprise Centres across the region, with one in Carlow, two in Kilkenny, seven in Waterford, three in Wexford and two in South Tipperary.

The Agency has provided funding for the development of Campus Incubation Centres at Carlow and Waterford Institutes of Technology. A Technology Transfer Office has also been established at Waterford IT, supported by EI.

Under the Applied Research Enhancement Scheme, EI has funded the establishment and development of the WIT's Pharmaceutical and Molecular Biotechnology Research Centre and the South-Eastern Applied Materials Research Centre, also at WIT.

Other activities include roll-out of the EnterpriseSTART campaign in the region to encourage the emergence of new high potential start-up companies and provide information and referral for established and nascent entrepreneurs about EI and other enterprise supports at a local level. EI also works closely with the CEBs in the region, for example, enabling access to the EI First Flight Programme to eligible CEB client companies who are ready to enter export markets.

IDA Ireland

IDA is responsible for the attraction and development of foreign investment in Ireland. It is focused on securing investment from new and existing clients in the areas of High End

Manufacturing, Global Services and Research, Development and Innovation. Key sectors include Life Sciences, ICT, Engineering, Financial Services, International Services, Digital Media and Consumer Brands. The IDA is also focused on emerging areas such as Clean Technology, Convergence and Services Innovation - areas that offer exciting new investment opportunities.

The IDA attracts overseas and inward investment by:

- Focusing on business sectors that are closely matched with the emerging needs of the economy and that can operate competitively in global markets from an Irish base.

- Building links between international businesses and third level education, academic and research centres to ensure the necessary skills and research and development capabilities are in place.

- Pursuing Ireland's policy of becoming a knowledge-based economy by actively building world-leading clusters of knowledge-based activities.

- Compiling up-to-date statistics and facts for research into industry, the economy and foreign direct investment in Ireland.

The IDA also provides serviced sites, pre-planning approval and buildings (buildings are provided by the private sector on IDA serviced sites). The IDA is developing a limited number of larger scale strategic sites that are intended to service utility intensive enterprise activity (e.g. bio/pharma manufacturing, data intensive services).

Recent major IDA project announcements in the South-East region

Company	Sector/Activity	Estimated Job Numbers
GlaxoSmithKline	Pharma	50
Merck Carlow	Pharma	170
Servier	Pharma	155
Merck Clonmel	Pharma	120
Genzyme	Bio Tech	170
Lancaster Laboratories	Medical Technologies	100
Cordis	Medical Technologies	450
Teva	Pharma	165
Waters Technologies	Medical Technologies	125
Equifax	ICT Services	180
Citi	Financial Services	250
Unum	Software	200
Coca Cola	Beverages	100

IDA Ireland Activity in the South-East Region

The IDA Ireland client base in the South-East (in 2008) employs over 12,000 people, accounts for approximately 5% of total employment in the region and is dominated by firms in the ICT, Medical Technologies and Chemicals sectors (see chart below).

Figure (b): Employment in IDA supported companies in the South-East, by sector (2008)
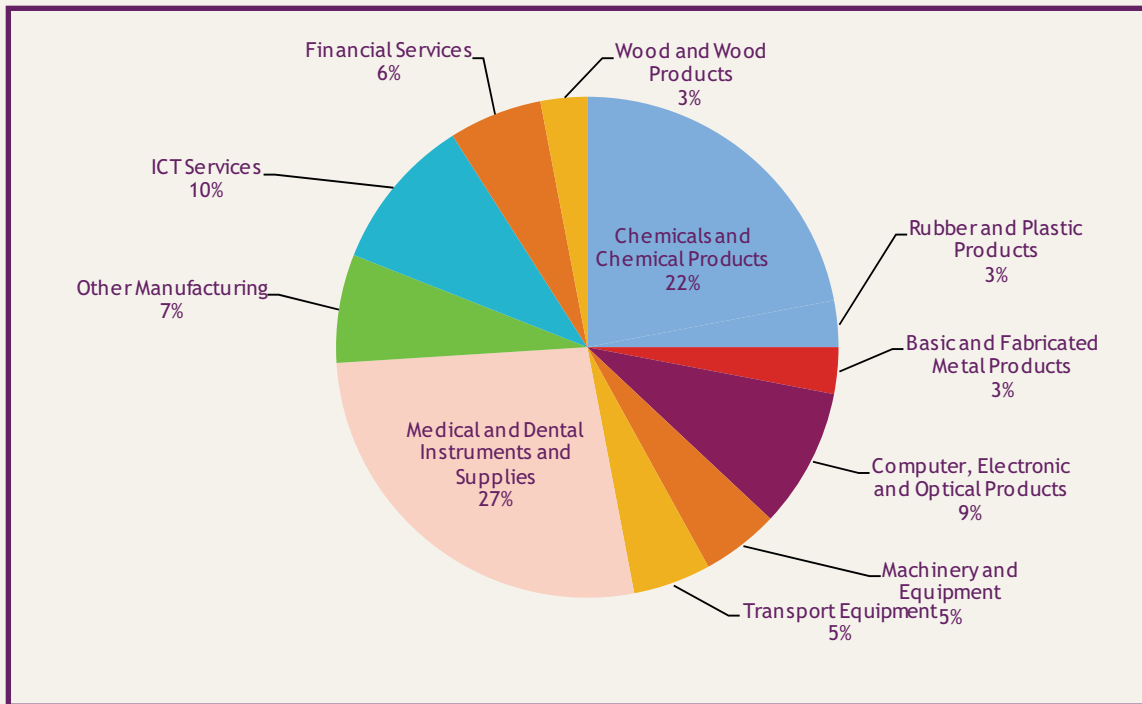
Source: Forfás Annual Employment Survey, 2008

A key activity for IDA in the regional context is the development of a strong value propositions for attracting high value foreign direct investment to the region based on its particular strengths and competencies and leveraging complementary strengths and competencies in other regions.

Údarás na Gaeltachta

Údarás na Gaeltachta is the regional authority responsible for the economic, social and cultural development of the Gaeltacht areas of Ireland. Its overall objective is to ensure Irish remains the main language of the Gaeltacht region and is passed on to future generations. Its economic mission seeks to encourage new investment and employment opportunities in Gaeltacht areas.

The Gaeltacht covers parts of counties Donegal, Mayo, Galway and Kerry – along the western seaboard – and also parts of counties Cork, Meath and Waterford. Údarás is structured on a regional basis (North, Connacht/Leinster and South) and has offices in Donegal, Mayo, Galway, Kerry and Cork.

Key economic development activities undertaken by Údarás within the Gaeltacht areas include:

- Attracting high value investments (especially in high technology services), both indigenous and from overseas, to the Gaeltacht

- Providing attractive property solutions for enterprise development in the Gaeltacht

- Working to upgrade services and infrastructure (physical access and telecommunications) – especially where Industrial Estates and Business Parks are located

- Initiatives to strengthen the competencies and qualifications of the workforce

- Initiatives in support of entrepreneurship and early stage start-up companies, including provision of incubation facilities.

In providing supports to both FDI and indigenous enterprise investments, Údarás operates within the same regional aid framework as EI and IDA and offers a similar suite of supports to enterprise as the other national agencies, in some instances effectively acting as an 'agent' for mainstream programmes managed by EI or IDA (for example the R&D programme and the more recent Enterprise Stabilisation Fund).

Science Foundation Ireland

Science Foundation Ireland (SFI) is the state agency that promotes investment in basic research, particularly in the science and engineering that underpin the fields of biotechnology, information and communications technologies (ICT), and energy efficient technologies[33].

SFI's stated mission is to "help build in Ireland research of globally recognised excellence and nationally significant economic importance through strategic investments in the people, ideas and partnerships essential to outstanding research in strategic areas." Specific functions in this regard include:

- Promoting, developing and assisting the carrying out of oriented basic research in strategic areas of scientific endeavour particularly in the fields of biotechnology, ICT, and sustainable energy;

- Endeavouring to ensure that a standard of excellence in the oriented basic research, as measured by competitive peer review on an international basis, is consistently adhered to at the highest level;

- Developing and extending the national capability for the carrying out of oriented basic research in institutions;

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[33] SFI was established in 2000, as a sub-board of Forfás, to administer Ireland's Technology Foresight Fund. In July 2003, SFI was established on a statutory basis under the Industrial Development (Science Foundation Ireland) Act, 2003. SFI's remit was extended in 2008 to include energy. SFI does not have a specific regional development (or spatially driven) mandate and its activities are guided by the overriding objective to develop and support research excellence

- Promoting the attraction of world class research teams and individuals with a view to their carrying out oriented basic research in the State;

- Cooperating and collaborating with other statutory bodies in the promotion and encouragement of oriented basic research; and

- Devising, administering, allocating, monitoring and evaluating any grants, schemes and other financial facilities requiring disbursement of any funds authorised from time to time by the Minister with the concurrence of the Minister for Finance.

City and County Enterprise Boards (CEBs)

The South-East has six CEBs. The CEBs support the start-up & development of local business in Ireland. Supports include advice, mentoring & grants or financial supports for training and growth (as a guideline, the CEBs deal with client companies that employ less than 10 people). Through the CEB Co-ordination Unit based in Enterprise Ireland regional headquarters in Shannon the CEBs are developing a closer working relationship with Enterprise Ireland, through for example the extension of the EI First Flight Programme to eligible CEB clients ready to begin exporting or already exporting overseas and the EnterpriseSTART initiative (see above).

Integrated Local Development Companies

In 2007, new and more coherent arrangements were put in place to have one integrated local development company in each county providing a single access point for local communities. These local development bodies are responsible for the disbursement of significant public funds under a wide range of programmes in the NDP, including the Local Development Social Inclusion programme and LEADER and they provide a range of enterprise supports to SMEs and start-up businesses. The following groups exist in the South-East region: Carlow County Development Partnership Limited, County Kilkenny Leader Partnership Company Ltd., South Tipperary Integrated Local Development Body, Waterford Leader Partnership Ltd., Wexford Local Development.

FÁS

FÁS is the National Training and Employment Authority and provides training courses, apprenticeship programmes and re-skilling/supports. The FÁS Corporate Strategy sets out the strategic direction taken by the Authority and outlines the action that it will take to progress the Strategy under eight High Priority Goals. These goals cover areas such as services for jobseekers and the unemployed, workforce development, labour market policy, social inclusion, equality and diversity, and customer service. FÁS has six employment services offices in the South-East Region and two Regional Training Centres (located in Waterford and Wexford).

Fáilte Ireland

Fáilte Ireland has three principal areas of operation; Firstly, the agency helps to develop product offerings for both the domestic and overseas markets and leads the marketing effort to promote Irish holidays to the domestic consumer.

Secondly, it supports enterprise development in Irish tourism, promoting best practice in operations, quality and standards and facilitating investment in tourism infrastructure.

Thirdly, it builds human resource capability in the industry, investing in training provision and standards across the publicly supported educational system, through a training network of outreach centres and also via an executive and management development programmes for the tourism industry.

Regional support for people and enterprises is provided at a local level through the office of the Business Development Manager. The role of the Business Development Manager in each region is to liaise with Industry stakeholders to provide support in developing businesses capability and standards to support business goals, service standards, profitability and long-term sustainability, in line with the key strategic themes identified in each region's operational plan.

Skillnets

Skillnets provides industry specific training programmes to employees of networks of firms, based on their defined needs. They primarily facilitate an enterprise-led approach to training and development and also aim to address the lack of investment in Human Resource Development by business by tackling some of the real and perceived barriers to training. Skillnets is funded under the National Training Fund through the Department of Enterprise, Trade and Employment.

Appendix 2

IDA Business & Technological Parks

The availability of a choice of high quality property solutions to a potential investor or start-up company is essential. It is key to stimulating enterprise investment, concentration and well-planned structured growth within a region.

Such assets need to be regularly enhanced and strengthened in order to meet changing business needs. Below is a list of IDA Business and Technology Parks in the South-East.

Kilkenny Business & Technology Park

Kilkenny Business & Technology Park is a 16-hectare (40 acre) site located on the N10 Kilkenny to Waterford route. The park has been designed and landscaped to a high standard including a services infrastructure to suit both manufacturing and international services sectors. There is also a fully operational crèche facility.

The Business Park has some Greenfield sites available for future development.

Wexford Business and Technology Park

Wexford Business and Technology Park is a 27-hectare (67 acre) park located on the N11/N25 connecting Dublin with Rosslare Port.

The Business Park has some Greenfield sites available to suit both manufacturing and international services clients. Wexford town is situated 144km south of Dublin and 70km from Waterford Regional Airport.

Waterford Business & Technology Park

Waterford Business & Technology Park is a 28-hectare (69 acre) park adjacent to the N25 National Primary Route 2.4km from Waterford city centre and 16 km from Waterford Regional Airport.

The Business Park offers high specification office accommodation (5,000 sq ft currently available) and Greenfield sites to suit both manufacturing and international services sectors.

Belview and Knockhouse Strategic Sites

Belview is a key strategic site developed by IDA Ireland to attract a cluster of cutting-edge multinational utility intensive industries to the South-East. In Belview, IDA Ireland has assembled a 55-hectare (136 acre) land bank adjacent to Belview Port, which is being promoted as a key site for large process industry. IDA is working closely with Kilkenny County Council, Waterford City Council and the utility providers on the development of the fully serviced site.

The IDA have a further 2 sites totalling 76 acres, one site of 18.1 hectares (44 acres) and an adjacent site of 14.2 hectares (32 acres) available for greenfield development in Knockhouse, adjacent to the existing Genzyme facility.

Business Sites in Private Ownership

South-East Bio-Pharma Park, Carrick-on-Suir

South-East Bio-Pharma Park is a 129 hectare (319 acre) landbank under private ownership. It is proposed to develop a bio-pharma park at the site.

Kilmeaden Fields

Kilmeaden Fields is a 26 hectare (64 acre) site with expansion potential to 105 hectares (260 acres) in the ownership of Glanbia. The site has been zoned for industrial/commercial/office and mixed use. Power, water and gas available on site.

Development Site on Outer Ring Road, Waterford

Development site of c. 8.5 hectares (21 acre) located at Ballycashin, Outer Ring Road, Waterford in private ownership has been zoned industry and technology and has 650 metres frontage to the outer ring road. All main services are in the immediate vicinity.

Notes

Notes