Minutes for NCC Meeting 86

Meeting: National Competitiveness Council No 86
Venue: Buswells Hotel, Dublin 2
Date: 8:00 – 10.30, Thursday 2nd June 2016

Members Present:
Prof Peter Clinch, Chair
Kevin Callinan, Deputy General Secretary, IMPACT Trade Union
Micheál Collins, Senior Research Officer, NERI - Nevin Economic Research Institute
Isolde Goggin, Chair, Competition and Consumer Protection Commission
Declan Hughes, Assistant Secretary, Department of Jobs, Enterprise and Innovation
Dave Shanahan, Chief Executive, Adagio Ventures Commercialisation Partners
Martin Shanahan, Chief Executive, IDA Ireland
Ian Talbot, Chief Executive, Chambers Ireland

Advisors
John Callinan, Department of the Taoiseach
Brid Cannon, Department of Agriculture, Food and the Marine
Deirdre McDonnell, Department of Education and Skills
Conan McKenna, Department of Justice and Equality
Ray O’Leary, Department of Transport, Tourism, and Sport

Apologies
Danny McCoy, Chief Executive Officer, Ibec
Jane Magnier, Joint Managing Director, Abbey Tours
Sean O’Driscoll, Chairman and Chief Executive Officer, Glen Dimplex Group
Louise Phelan, Vice President of Global Operations, Europe Middle East and Africa, PayPal
Patricia Cronin, Department of Communications, Climate Change and Natural Resources
Maria Graham, Department of Housing, Planning and Local Government
John McCarthy, Department of Finance
David Moloney, Department of Public Expenditure and Reform

Secretariat
Marie Bourke
Conor Hand
John Maher
Eoin Cuddihy
### 86.1 Minutes

The minutes from meeting 85 were approved.

### 86.2 Matters Arising

- Marie Bourke noted that appointments to the Council will be made by the new Minister in due course following a number of recent retirements.
- Patricia Cronin is to replace Katherine Licken as the Council’s advisor from DCCNR. The Chair thanked Ms Licken for her contributions to the Council.
- Marie Bourke also provided an update on activities since the last meeting:
  - *Ireland’s Cost of Doing Business 2016* was published on 21st April 2016. The Chair noted that the report was discussed at Senior Officials Group, prior to being noted at Cabinet.
  - The Council published 3 Competitiveness Bulletins on *Harmonised Competitiveness Indicators, Why Competitiveness Matters and Exchange Rates* since the last meeting resulting in engagement with key stakeholders and media coverage on the issues.
  - The IMD published its World Competitiveness Yearbook rankings for 2016 on 30th May 2016. Ireland is ranked 7th in 2016, an improvement of 9 places from last year. An NCC press release was issued in relation to these rankings.
- Discussions are ongoing regarding the establishment of National Competitiveness Boards. The Secretariat will continue to engage with the Department of Finance who are leading on this issue and keep the Council apprised of key developments.

### 86.3 Ireland Competitive Scorecard 2016

- John Maher made a presentation on the draft *Competitiveness Scorecard 2016* report. The Scorecard builds on the *Cost of Doing Business* report and acts as a pre-cursor to the *Competitiveness Challenge*.
- The presentation focused on key issues and challenges emerging from the analysis. The key messages from the report were summarised as follows: ensuring growth is equitable, balanced and sustainable; ensuring macroeconomic sustainability; increasing investment in physical and knowledge infrastructure; maintaining a competitive business environment; increasing labour force participation; supporting productivity growth; improving talent and firm sophistication; and enhancing the competitiveness of enterprise with a particular focus on exporting sectors.
- Council Members noted the draft report, and key comments on the content, tone and key messages are summarised below.
  - The importance of maintaining fiscal sustainability, the link between childcare costs & labour force participation rates, the...
impact of housing costs on competitiveness, the issue of funding for higher education, the importance of investing in infrastructure and training, the need to address high costs and marginal tax rates were all raised as key issues
  - Members requested that the key challenges identified in Chapter 1 form the basis on an executive summary
  - It was agreed that a section on Brexit would be added to reflect the outcome of the referendum

- Council members were asked to submit any final comments on the indicators and other matters, directly to the Secretariat as soon as possible
- On foot of final comments, the report will be revised and will be submitted for approval to MJEI, Senior Officials Groups, Cabinet Committee and Cabinet respectively prior to publication

### 86.4 House Price Affordability Study

- Dr Ronnie O'Toole and William Batt from Indecon presented the findings from the House Price Affordability study commissioned by the NCC
- The two measures adopted in the study look at both the purchase and rental markets: the Mortgage Affordability Index (MAI), and the Rent Affordability Index (RAI)
- The relatively high cost of mortgage finance for new mortgages in Ireland in 2015 made Irish housing less affordable than in other countries. When both price-to-income and the cost of mortgage finance are taken into account Dublin ranked 3rd most expensive in terms of purchasing a standard property
- Dublin is ranked 4th in terms of the cost of renting a standard property
- Following a discussion, the Report was approved for publication, alongside a Competitiveness Bulletin (to be drafted by the Secretariat)
- The Secretariat will meet with DECLG shortly to discuss the findings and to ensure that there are inputted to the Action Plan for Housing

### 86.5 Update on Framework Review Submissions

- At the last meeting it was agreed to seek submissions on the NCC’s Competitiveness Framework following the review undertaken by Dr Ketels, and in advance of finalising a revised Framework
- Conor Hand provided an update on the submissions received to date
- The issues raised will feed into the development of next year’s Scorecard and the Secretariat will continue to engage in dialogue with key stakeholders on the issues raised in the submissions

### 86.6 Any Other Business

- The next meeting of the Council is scheduled for 15th September 2016.

from Members and advisors, the Scorecard was approved - final text will be circulated by email

The report will be published subject to Cabinet approval. Timing of publication to be determined

Final report will be published on the Council’s website, alongside a Competitiveness Bulletin. Both publications will feed into the Action Plan for Housing