

Minutes for NCC Meeting 92

Meeting: National Competitiveness Council No 92
Venue: O'Callaghan Mont Clare Hotel, Dublin 2
Date: 8:30 – 10.30, Thursday 19th October 2017

Members Present:

- Prof Peter Clinch, Chair
- Kevin Callinan, Deputy General Secretary, IMPACT Trade Union
- Micheál Collins, Assistant Professor of Social Policy, University College Dublin
- Isolde Goggin, Chair, Competition and Consumer Protection Commission
- Declan Hughes, Assistant Secretary, Department of Business, Enterprise and Innovation
- Danny McCoy, Chief Executive Officer, Ibec
- Sean O'Driscoll, President, Glen Dimplex Group
- Ian Talbot, Chief Executive, Chambers Ireland
- Patrick Walsh, Managing Director, Dogpatch Labs

Advisors

- Patricia Cronin, Department of Communications, Climate Action and Environment
- Kathleen Gavin, Department of Education and Skills
- John McCarthy, Department of Finance
- Conan McKenna, Department of Justice and Equality
- Sinead McPhilips, Department of Agriculture, Food and the Marine
- David Moloney, Department of Public Expenditure and Reform
- Ray O'Leary, Department of Transport, Tourism, and Sport
- John Shaw, Department of the Taoiseach
- David Walsh, Department of Housing, Planning Community and Local Government

Apologies

- Pat Beirne, Chief Executive Officer, Mergon Group
- Cathriona Halahan, CEO/Managing Director (Ireland), Microsoft
- Jane Magnier, Joint Managing Director, Abbey Tours
- Margot Slattery, Country President, Sodexo Ireland
- Martin Shanahan, Chief Executive, IDA Ireland
- Julie Sinnamon, Chief Executive, Enterprise Ireland
- Jim Woulfe, Chief Executive, Dairygold
- John Conlon, Department of Employment Affairs and Social Protection

Secretariat

- Marie Bourke
- Teodora Corcoran
- Eoin Cuddihy
- John Maher

<p>92.1 Introduction and Minutes from Meeting 91</p> <ul style="list-style-type: none"> ▪ The Chair welcomed the new Advisors to the Council: John Conlon, Assistant Secretary, Department of Employment Affairs & Social Protection and Sinéad McPhilips, Assistant Secretary, Department of Agriculture, Food and the Marine. ▪ The minutes from meeting 91 were approved. 	<p>No action</p>
<p>92.2 Matters Arising</p> <p>Marie Bourke provided an update on publications since the last meeting:</p> <ul style="list-style-type: none"> ▪ The NCC report Ireland's Competitiveness Scorecard was published in July together with the Competitiveness Bulletin ▪ The World Economic Forum, Global Competitiveness Report 2017-2018, Competitiveness Bulletin was released in September ▪ Paper copies of Press & Media Coverage on the NCC report were provided to the NCC members. 	<p>No action</p>
<p>92.3 NCC Communications</p> <p>The Chair outlined the Secretariat's engagement with Government prior to the publication of Ireland's Competitiveness Scorecard and noted his recent engagement with stakeholders, including:</p> <ul style="list-style-type: none"> ▪ National Economic Dialogue ▪ US Leadership Summit Presentation ▪ MacGill Summer School Address ▪ Meeting with European Commission, European Semester ▪ Enterprise Forum on Brexit, chaired by Tánaiste. 	<p>No action</p>
<p>92.4 Draft Ireland's Competitiveness Challenge 2017</p> <ul style="list-style-type: none"> ▪ John Maher presented the draft Challenge document, which had been circulated to Members in advance of the meeting. ▪ The report builds upon the key issues which emerged from <i>Ireland's Competitiveness Scorecard 2017</i>, <i>Costs of Doing Business Report 2017</i>, <i>Benchmarking Competitiveness: Ireland and the UK 2017</i> and <i>Benchmarking Ireland's Productivity performance 2004-2014, 2017</i>. ▪ Member comments to be noted in the draft report included: <ul style="list-style-type: none"> ○ The threat to national competitiveness arising from labour cost levels and growth and commercial property prices; ○ Irish Capital Gains Tax rates are out of line with the UK. Budget 2018 provisions relating to share options only relate to new share issues. How the KEEP initiative is implemented will be of critical importance in attracting talent to Ireland; ○ The draft report assumes that the National Planning Framework has been adopted. The wording and recommendations should reflect the importance of adopting the Framework and then implementing its 	<p>Members and Advisors to forward further observations up to 1 November.</p> <p>Secretariat to take on board Member's comments in the final report.</p> <p>The plan is to publish the Challenge report in December 2017. The exact timing of publication will be</p>

<p>objectives thereafter. These objectives can only be achieved if development takes place in a logical and sequenced timeframe;</p> <ul style="list-style-type: none"> ○ The threat posed to competitiveness by housing shortages and escalating property prices needs to be given more prominence in the report. The detrimental impacts on national productivity arising from rising housing costs also needs to be reflected; ○ The economic costs and the consequences on competitiveness if our sustainability objectives and environmental commitments are not met needs more focus; ○ The draft recommendation on regulatory governance in telecoms should be reworded to provide for a review of the regulators' existing powers to fulfil its mandate; ○ The report needs to reflect the importance of ensuring maximum efficiency and value for money in productivity enhancing infrastructure investments; ○ More focus is needed on imports in the report i.e. the overall trade impacts on Brexit. Potential tariff and non-tariff barriers will impact on the inflationary environment and will cause prices to rise in Ireland over the medium to long term; ○ The Mediation Act has been enacted and should be referenced in the Legal Costs section. It is hoped that this should further reduce legal costs in Ireland; ○ The relevance of an overall productivity target for Ireland was questioned. The dual nature of the economy makes devising a credible headline target difficult; ○ The report would benefit from a section elaborating on the benefits of good planning and an appropriate planning framework. The prize of good planning is sustainability and placemaking; ○ More emphasis is needed on measures to increase labour supply and labour market participation in the Report given the economy is approaching full capacity; <ul style="list-style-type: none"> ▪ The overall messages that should feature in the Executive Summary and Chair's Preface are; <ul style="list-style-type: none"> ○ Sustainability of the economic model; ○ Nature of capital migration; ○ Planning needs and the housing issue; ○ Environmental sustainability; ○ The impact of Brexit; ○ Increased social dialogue is needed in the period ahead; ○ Distinguish between immediate short-term actions and those which are more strategic in nature; 	<p>determined following Cabinet approval.</p>
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<ul style="list-style-type: none"> ○ Fundamental trade-offs are required to ensure a sustainable model for the economy close to or at full employment; ○ To maximise the exposure of the Report, the Council should focus on areas that are not topical in the media. ▪ The Council were invited to forward observations to the secretariat as soon as possible. On foot of comments from members and advisers, and the outcomes from a series of meetings with relevant stakeholders, the report will be revised and presented to the Council for electronic sign-off in December. The Report will be submitted to the Management Board of DBEI and will also be presented to the SOG and Cabinet Committee on Economy, Trade and Jobs. It will then be submitted to Cabinet for consideration prior to publication. 	
<p>92.5. Discussion on the key areas of focus for the NCC Work Programme 2018</p> <ul style="list-style-type: none"> ▪ The Chair outlined the work programme for the NCC for 2018 as required by its Terms of Reference: <ul style="list-style-type: none"> ○ Ireland’s Competitiveness Scorecard 2018 ○ Ireland’s Competitiveness Challenge 2018 ▪ Other projects which are a regular feature in the NCC’s work programme include: <ul style="list-style-type: none"> ○ Cost of Doing Business 2018 ○ Submission to the Action Plan for Jobs 2019 ○ Competitiveness Bulletins – suggested topics included attracting talent, housing, capacity constraints, the narrow base of the economy, the speed and certainty of regulatory decisions and the cost of justice ▪ The Chair provided information on the new role of the NCC as National Productivity Board (NPB) as of March 2018. In addition to the current tasks of the NCC, new goals will include engaging with other NPBs to build the NPB network, considering common themes of interest across Member States and providing context for the European Semester process. In light of the new role of the NCC it will be important that the it is properly resourced. 	<p>The Secretariat will examine the proposed topics for competitiveness bulletins and devise a work plan</p>
<p>92.6 Any Other Business</p> <ul style="list-style-type: none"> ○ As per the NCC’s terms of reference three members of the Council (the longest serving) retire from office on 31 December each year. The Secretariat will contact the 3 longest serving Council members in relation to membership rotation over the coming weeks. ○ The Secretariat will advise of date for next meeting 	<p>The Secretariat will contact the longest serving members due for rotation.</p>