

Minutes for NCPC Meeting 105

Meeting: National Competitiveness and Productivity Council No 105
Venue: WebEx
Date: 8.30 am – 10.30 am, Thursday 23 September 2021

Members Present:

Dr Frances Ruane, Chair
Ciarán Conlon, Director of Public Policy, Microsoft, Ireland
David Hegarty, Assistant Secretary, Department of Enterprise, Trade and Employment
Dirk Pilat, Deputy Director for Science, Technology and Innovation, OECD
Neil McDonnell, Chief Executive, ISME
Kevin Callinan, General Secretary, Fórsa
Micheál Collins, Assistant Professor of Social Policy, University College Dublin
Martin Shanahan, Chief Executive, IDA Ireland
Leo Clancy, Chief Executive, Enterprise Ireland
Pat Beirne, Chief Executive Officer, Mergon Group

Advisors

John Shaw, Department of the Taoiseach
Maria Graham, Department of Housing, Planning and Local Government
Ray O'Leary, Department of Transport
Sinead McPhilips, Department of Agriculture, Food and the Marine
John McCarthy, Department of Finance
Georgina Hughes Elders, Department of Public Expenditure and Reform
Paul Bolger, Department of the Environment, Climate and Communications
William Beausang, Department of Further and Higher Education, Research, Innovation and Science

Apologies

Jim Woulfe, Chief Executive, Dairygold Co-operative Society Limited
Patrick Walsh, Managing Director of Dogpatch Labs
Geraldine Hurley, Department of Social Protection
Fergal O'Brien, Director of Policy and Chief Economist, Ibec
Isolde Goggin, Chair, Competition and Consumer Protection Commission
Andrew Munro, Department of Justice
Margot Slattery, ISS World Service, Global Head of Diversity and Inclusion

Secretariat

Oliver Gilvarry
Manus O'Donnell
Linda Kane
Patrick Condon
Karen Hogan

	Action
<p>105.1 Chair's Introduction, Minutes & Matter Arising</p> <ul style="list-style-type: none"> ▪ The Chair opened the meeting, and welcomed two new advisors to the Council, Andrew Munro and Paul Bolger. ▪ The minutes from NCPC meeting 104 were approved. 	
<p>105.2 Ireland's Competitiveness Challenge 2021</p> <ul style="list-style-type: none"> ▪ The Chair thanked the members and advisors for their contribution to this year's Challenge report and highlighted that she met the Tánaiste the previous day to discuss the Challenge which went very well. The Challenge has received good coverage and the Chair thanked the Secretariat for their work in relation to this. ▪ The Chair stated that she and the Secretariat agreed to review the schedule for next year to ensure sufficient timing to allow more time to liaise and engage with Council members. Next year the aim will be to have a more developed draft text to present to the Council in July. The Chair noted that this point will be returned to at the December meeting when setting out the Council work plan for 2022. ▪ The Chair asked Council members for their comments on the publication of the report this year. <p>Members comments:</p> <ul style="list-style-type: none"> ○ Members agreed that media coverage and political engagement has been excellent overall, highlighting the exposure on Morning Ireland. The comments in relation to insurance were of particular importance to some members due to the impact insurance costs are having on businesses. ○ Members noted that the concentration on productivity in this years Challenge has been important and this approach should be continued into future reports. ○ On the drafting of the Challenge, members agreed there is a need to consider the timing of the meetings in 2022 so the Council can have a good discussion on a well-developed draft of the report. It was pointed out that the first draft of the report presented in June was very different to the final publication. Initial discussions laid out a very focused report, however, following further discussions it became a broader report. 	<p>Secretariat to consider the feedback and revert to the Council</p>
<p>105.3 Productivity Discussion</p>	

- Michael Connolly, Yvonne Hayden and Seán O’Boyle from the CSO presented on Productivity in Ireland 2019. The presentation discussed statistics relating to: Labour Productivity, GVA Growth, Capital Growth, Innovation, Additional Analysis and Future Plans.

Members comments:

- Members strongly agreed on the significance of potentially accessing productivity data at firm level, particularly with regards to firm age and size. It was noted younger firms in particular play an important role. Issues with how to ensure a consistent methodology in regards to data at this level was raised.
- The CSO noted that the measurement of output is based on the system of national accounts. These measures cannot be applied across all firms, therefore for some firms there is a need to proxy. Capital is the most difficult to measure, because of reasons including depreciation. The data must be consistent in its approach otherwise results are not comparable.
- It was noted that the availability of firm size data would be of particular interest when considering Krugman’s ‘Leprechaun effect’.
- The significance of firm size and firm age data for the construction sector in order to monitor innovation growth was also raised.
- The importance of being able to analyse the churn was brought up, noting that the ability to focus on the comings and goings is important. It was also pointed out that analysing static/dynamic data on a quarterly basis is likely to be very volatile.
- Members agreed on the importance of the GNI* measure for Ireland. Members raised the question of whether GNI* is being used internationally. The CSO noted that they are seeing it being widely used, for example by the rating agencies, however those on the statistical side do not view it as a standard framework yet. It is however, gaining good traction, which shows how important and practical it is.

- Martina Lawless from the ESRI presented to the Council on productivity research undertaken at the ESRI.

Members comments:

- It was suggested that a potential collaboration between the OECD and the ESRI on work in this area may be beneficial. It was noted that a research programme between the

<p>Department of Enterprise, Trade and Employment and the ESRI is in development, with the hope that a further update in relation to this can be provided at the December meeting.</p> <ul style="list-style-type: none"> ○ There was a collective interest amongst members in relation to gaps/future areas of research at the ESRI, with some members noting in particular the areas of Climate, Digitalisation, long-term effects of Covid and Brexit, and management skills. ○ The Secretariat brought up the importance of the CSO and ESRI in producing data and research with regards to productivity, particularly in relation to SMEs from an enterprise perspective. 	
<p>105.4 NCPC Bulletins 2021</p> <ul style="list-style-type: none"> ▪ The Secretariat presented a general update on the plan for future bulletins, to which there has been no change. The proposed topics for the remainder of 2021 are: <ul style="list-style-type: none"> ○ Firm Dynamism and Productivity ○ World Economic Forum Competitiveness Ranking ○ Public Sector Productivity: Evidence? ○ Brexit: One Year of Adjustment ▪ The Secretariat called on Council members to consider new ideas for next year's bulletins. ▪ The Chair asked Council members to send any ideas for bulletin topics to the Secretariat ahead of the next Council meeting in December. 	
<p>AOB</p> <ul style="list-style-type: none"> ○ The Chair noted that options for format of the December meetings, and meetings in 2022, will be considered. ○ Date for the next Council meeting. <ul style="list-style-type: none"> - 2 December 2021 	