

Minutes for NCP Meeting 116

Meeting: National Competitiveness and Productivity Council No 116
Venue: Department of Finance, Miesian Plaza, Lower Baggot Street, Dublin 2
Date: 8.30 am – 10.30 am, Thursday 18 April 2024

Members Present:

Dr Frances Ruane, Chair
Michael Taft, Research Officer, SIPTU
Fergal O'Brien, Executive Director, Lobbying and Influence, Ibec
Gary Tobin, Assistant Secretary, Department of Enterprise, Trade and Employment
Dr Laura Bambrick, Head of Social Policy & Employment Affairs, ICTU
Neil McDonnell, Chief Executive, ISME
Michael Lohan, Chief Executive, IDA Ireland
Donal Leahy, in place of Leo Clancy, Chief Executive, Enterprise Ireland
Brian McHugh, CCPC
Bernadette McGahon, IRDG
Edel Clancy, Musgrave Group
Maeve Dineen, Financial Services and Pensions Ombudsman

Advisors Present:

John Shaw, Department of the Taoiseach
William Beausang, Department of Further and Higher Education, Research, Innovation and Science
Evin McMahon on behalf of Paul Bolger, Department of the Environment, Climate and Communications
Roshin Sen, on behalf of Niall Egan, Department of Social Protection
Garret Doocey, Department of Transport
John McCarthy, Department of Finance
Paul Hogan, Department of Housing, Local Government and Heritage
Andrew Munro, Department of Justice
Colm Hayes, Department of Agriculture, Food and the Marine
Colin Menton, Department of Public Expenditure, NDP Delivery, and Reform

Apologies

Ciarán Conlon, Director of Public Policy, Microsoft, Ireland
Liam Madden, Independent Consultant, Semiconductor Industry
Cian O Lionáin, Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media
Anne-Marie Brooks, Department of Children, Equality, Disability, Integration and Youth
Luiz de Mello, Director at OECD
Dermot Coates, the Head of Secretariat

Secretariat

Rory Mulholland
Keith Fitzgerald
Erika Valiukaite
Pádraig O'Sullivan

	Action
<p>116.1 Chair's Introduction, Minutes & Matter Arising</p> <ul style="list-style-type: none"> ▪ The Chair opened the meeting. ▪ The Chair thanked the Department of Finance for hosting. ▪ The Chair also thanked Karen Hogan for her contribution over the past number of years. ▪ The minutes from NCPC meeting 115 were approved. 	
<p>116.2 Ireland's Competitiveness Challenge 2024</p> <ul style="list-style-type: none"> ▪ The Chair introduced the agenda item and invited the Council to engage in discussion around each Chapter's overall content and recommendations. ▪ It was emphasised that this is an initial draft of the report intended to show the broad direction of travel. The feedback from Members and Advisors both today and after the meeting will shape the final report. ▪ Secretariat then presented the draft on a chapter by chapter basis. <p>Chapter 1 - Immediate Issues facing the Irish Economy</p> <ul style="list-style-type: none"> ▪ Secretariat noted that this Chapter will be drafted after the finalising Chapters 2 to 6. <p>Chapter 2 - Ireland and EU Single Market</p> <ul style="list-style-type: none"> ▪ Feedback from members included: <ul style="list-style-type: none"> ○ Burden of regulation needs to come across more strongly (including CSRD) ○ Need for an aggregate perspective in relation to cost burden ○ Ireland needs to consider where it can place itself in the value chain of goods – geopolitical developments driving a change in position. ○ Ireland needs to step up its ability to influence ○ Further public investment in R&D needed ○ Admin burden can mean SMEs don't apply for programmes ○ Chapter needs to express inter-linking of areas <p>Chapter 3 - Cost of Doing Business</p> <ul style="list-style-type: none"> ▪ There was discussion on the <i>Assessment of The Cumulative Impact of Proposed Measures to Improve Working Conditions in Ireland</i> report which is referenced in this Chapter. <ul style="list-style-type: none"> ○ Some members suggested that the discussion should be reflected in recommendations as well; ○ Other members stated that this Chapter should discuss what lessons can be learnt from the <i>Assessment</i> and that recommendations should reflection those lessons too; ○ It was also suggested to clarify some of the concepts included in the Box A. 	<p>Secretariat to consider the feedback and revert to the Council</p>

- Possible recommendation 3.1 in relation to SME test should be emphasised more strongly and the Chapter should outline how it would work exactly;
- It was noted that the draft is still in progress, but also that the Chapters feel very disconnected and that this should be addressed prior to sending out the next draft;
- Other data methods and sources might be considered instead.
- In relation to the Housing section – Council members noted that some businesses might be moving into the sector and attracting talent from abroad by offering them housing on arrival.
- Several members suggested that they will share their more detailed feedback soon;

Chapter 4 - Building and Retaining a Skilled and Talented Labour Force

- Discussion on apprenticeships (drop out rates) and part-time workers should also be included in the Chapter;
- Reskilling and upskilling were viewed as the central concepts;
- Council members also suggested to consider what type of skills are we including in this Chapter and to highlight transferable/basic skills;
- Challenge is life-long learning, need to incentivise demand side;
 - How this relates to AI and Digital
- Reallocation of skills to the non-traded sector is needed, and encouragement of apprenticeships in place of 3rd level
- There is no significant pressure on CE budget currently
- Recommendations were welcomed by the Council.
 - Recommendation 4.5 – work ongoing, there is a impact of increased salary thresholds (Secretariat to consider).

Chapter 5 - Technology and Innovation

- Part of our offering on digital, is that we are the regulatory location for these sectors in Europe, requires huge allocation of resources, legislative time and people across areas, regulatory infrastructure; AI companies will have AI regulatory teams in Europe; very scarce skills and everyone is looking for them;
- Need a gear change, call out that we need to invest in at scale, what are we doing that's going to be bigger?; make sure regulatory bodies can do their work;
- Focus of Chapter is on monitoring, but should be more outward looking; if we are going to hold the pen on regulation, we need to make sure we have right people;
- Adoption level and intention to adopt is not universally high among sectors; wait and see approach not enough – adoption curve is short; make recommendations around that to help drive change

<p>Chapter 6 - Planning and Delivering Sustainable Infrastructure</p> <ul style="list-style-type: none"> ▪ Member feedback included: <ul style="list-style-type: none"> ○ This is a broad area, may be beneficial to focus on specific concerns in this area, e.g. housing has been covered off in recent years. ○ Planning and Development Bill is on target to be complete in Summer, an intervention would be welcome. ○ Further work has been done of late in the area of mapping for ORESS 2.1, which can be captured. ○ More clarity in the Recommendations, i.e. is anything additional requested for Planning and Development Bill, or just that it progresses. ▪ Follow up points: <ul style="list-style-type: none"> ○ To establish contact with D/HLGH colleagues on Planning and Development Bill ○ To establish contact with DECC colleagues on ORESS. 	
<p>116.3 NCPC Bulletins Update</p> <ul style="list-style-type: none"> ▪ The Chair noted the publication of 2 Bulletins: <ul style="list-style-type: none"> ○ Publication of Global Innovation Index review ○ Competitiveness and Productivity Framework ▪ The Secretariat and Chair are hoping to publish the Competitiveness and the Housing Market in Ireland bulletin shortly. 	<p>Publication will be circulated to Council Members shortly</p>
<p>116.4 Regional Workshop</p> <ul style="list-style-type: none"> ▪ The Secretariat (Rory) provided an update for the Regional Workshop which will take place on the 30th of April at the University of Limerick. 	
<p>116.5 CCPC Updates</p> <ul style="list-style-type: none"> ▪ Brian McHugh – Chair of the CCPC – provided an overview of some interesting work CCPC produced recently, including research study titled '<i>State of Competition in Ireland</i>' and conveyancing reforms. 	
<p>116.6 NCPC Engagement and Communications</p> <ul style="list-style-type: none"> ▪ AI Information Session with Microsoft Ireland was briefly mentioned which was a very informative session. All thanks to our colleague Ciarán Conlon for kindly hosting us last month. ▪ On the 16th of April, the Chair also participated in a roundtable discussion about productivity in Northern Ireland, hosted by Belfast Chamber of Commerce and attended by Minister Conor Murphy, and Joe Kennedy, President Biden's special envoy to Northern Ireland. Conor Murphy has identified productivity at a key focus for his term – which represents a radical change for Northern Ireland policy. ▪ The Chair also attended a seminar focused on the outputs of the DETE-ESRI Joint Research Programme. 	<p>Secretariat to circulate information about the agenda item which was not discussed due to time constraints.</p>

116.7 AOB

- Further feedback on Challenge draft requested in next two weeks, but sooner than later is preferable.
- Next step in the process will be the circulation of the next draft following this meeting. Plan is to launch the Report in May ahead of the Annual Economic Forum.
- Date for the next Council meeting:
 - **5th September 2024 @ at 8.30am**