



**Department of Enterprise, Trade and Employment
via website**

Date: 26th July 2022

Dear Sir/Madam,

RE: White Paper on Enterprise- Public Consultation

1.0 INTRODUCTION

County Kildare Chamber is the business organisation in Kildare, proactively working to identify and progress developments that are facilitative of economic and sustainable growth. Representing an employer base of 400 businesses and over 38,000 employees across the county, County Kildare Chamber is the largest business organisation in the mid-east region of Ireland.

Given the significant breadth and depth of our membership, and our representation on various bodies at local and national level, County Kildare Chamber constitutes the representative voice for business in Kildare, a particularly important role given the current economic circumstances in the county and the state.

2.0 SUBMISSION

As we look towards the next decade, Ireland and our businesses are facing a multitude of challenges, from decarbonisation, digitalisation, and wider economic and political unrest. County Kildare Chamber is pleased to be able to contribute to this conversation on the strategic direction of Enterprise Policy in Ireland in the years to come.

In March 2020, County Kildare Chamber, Chambers Ireland and International Chamber of Commerce announced that we had signed up to a new charter supporting the UN Sustainability Goals (SDGs). In particular focusing on five of the goals encompassing decent work and economic growth (SDG 8), sustainable cities and communities (SDG 11), advancements in gender equality (SDG 5), viable industries, innovation, and infrastructure (SDG 9) and progress in climate action (SDG 13).



The last strategic look at our national industrial policy occurred in 2004, so it is timely that we now take a whole of view appraisal of our economic platforms and how they stand in 2022.

In the last eighteen years Ireland has been through a wide-ranging economic recession, a housing crisis, the fallout of Brexit and the current Russian war on Ukraine, which has created an immediate energy shock, driving up short term inflation, whilst also impacting on medium to long term fossil fuel cost viability, with many businesses now looking more immediately at varying their energy sources.

Maximising renewables is the best way to ensure that Kildare businesses will have security of supply and access to the most affordable forms of energy. Capturing our competitive advantage in renewables will be fundamental to decarbonising our society and in making the Irish economy as a whole fit for the 21st century.

Below we set out specific areas within this consultation we wish to highlight:

County Kildare Chamber strongly supports the existing policy for multi-national companies which has created almost 300,000 jobs in Ireland. In areas of High Value Manufacturing Sector such as Pharm/Biotech, AgriFood, ICT, and MedTech our existing industrial policy has served us particularly well in Kildare, with a number of our member businesses coming from the FDI sector such as Intel, Pfizer, American Fruits and Flavors, KDP Ireland to name a few.

Any future policy should build upon the success of these sectors and must ensure that the achievements in those areas can continue, but we also need to consider that many of the competitive advantages that we had in 2004 are either no longer present, or not weighted as heavily by the FDI sector.

Skills & Talent

Skills and Talent are a primary concern for all Kildare businesses, both in the domestic economy and in MNCs. A survey of our businesses in April this year found that 51% said staff retention & recruitment is the biggest challenge facing them currently. ([Chamber Membership Pulse Survey \(Q1 2022\) by countykildarechamber - Issuu](#)). Businesses are grappling with this by introducing a number of measures including flexible working, revised benefits, mental health resources, access to training and development, improved



communication and diversity policies, aided by currently legislation being brought forward by Minister Varadkar and the Department.

Chief constraints around skills and staff retention appear to be centered around the availability of affordable and secure accommodation. Competition between those in employment, between landlords, and between Local Authorities buying “turnkey” homes on the market is adding €50,000 to the baseline cost of homes, according to some accounts. The pressure on housing also filters into the rental sector with the high cost of housing often being cited as a cause of employees emigrating. For those that do not emigrate poor access to housing is often a drain on productivity, either through repeated, prolonged house searches or through extended commutes to and from work.

The cost of housing, both in the ownership and rental sectors, is a leading cause of claims for increased wages, which is putting additional strain on businesses. Kildare, as a key commuter belt county, as well as being one of the key business economies in the country with many multinationals and large SMEs in situ, the survey found that 40% of businesses are worried about the provision for their employees with a further 15% citing public transport as not being adequate enough to serve the population.

Infrastructure

Energy supply is not as secure as it has been in the past, and our energy mix is still very dependent on fossil fuel sources.

The environmental concerns related to how we sourced our energy were not a priority at the creation of our existing industrial policy strategy. Our relatively heavy dependence on Moneypoint to secure our energy will make Ireland a less attractive location for Foreign Direct Investment – particularly as increasing numbers of firms are being obliged to include climate impact metrics in their annual reports by regulatory bodies.

For those that are already present in Ireland, many are already being forced to modify their activities as a result of the difficulties in maintaining supply when the national grid is routinely operating at 95%+ capacity. As large energy users, the high-value manufacturing sector are typically the first to be curtailed when outages occur, leading them be disproportionately affected by supply and transmission constraints. This is harming our reputation as a reliable location for foreign capital.



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Chamber**
Advancing business together

Access to water resources, and waste-water treatment capacity, are also increasingly becoming problems for businesses that are looking to expand in, or into, Kildare. Supply constraints are limited where businesses may operate from and their ability to increase their range of activities on existing sites. Meanwhile the lack of effective water treatment capacity is often a key reason given for the rejection of planning permission.

Improving the delivery and sustainability of water supply throughout our Island is vital for the continued growth of the mid-east region. We in County Kildare Chamber particularly support the improvement and upgrading of our water treatment plants in Ballymore Eustice and Leixlip through Irish Water's Regional Water Resource Plan, which will guarantee confidence to our business industry in the water supply generation within the region.

Ireland has enormous untapped green energy resources, and we have the potential to benefit from "second mover advantage". While security of supply is a key concern for businesses, we need to become much more ambitious with respect to our offshore energy generation. At a time when Scotland is, by 2033, increasing their offshore energy capacity from 15GW to almost 40GW and including 17GW of floating offshore wind our national objective is 5GW by 2030 (including 0GW of floating offshore wind).

Businesses in Kildare, particularly MNC subsidiaries in the industrial sector, are actively seeking to integrate Green Hydrogen into their gas-powered energy mix, one such company is Green Generation, which uses the biogas produced in the Anaerobic Digestion process containing roughly 60% methane and feeds it directly back into an engine to generate electricity.

However, for every company like Green Generation there are many more unable to source Irish suppliers. Should they continue to be unable to do so, many will have to curtail their objectives of achieving their carbon neutrality targets which will damage the emission goals of their parent firms. This will undermine Kildare and Ireland's attractiveness as a location for Foreign Direct Investment.

Expanding and amplifying the types of renewable energy we harness throughout Ireland is vital for the continued growth of the mid-east region. We in County Kildare Chamber particularly support the use of Hybrid Connections in the shorter term, to guarantee our business sector has confidence in the power generation within the region and to ensure that we meet our 2030 emissions targets.



Given the location of our thermal plants, they are typically well suited for landing offshore renewable energy. They are already on industrial coastal sites and much of the needed infrastructure has already been built. An added benefit of Hybrid projects is that they will facilitate the deepwater floating offshore wind projects that are likely to be available by 2030 but are currently under-considered in this consultation.

Facilitating projects that can make more effective use of existing infrastructure will greatly increase the likelihood that we will meet our national renewable energy targets, and our carbon emission targets. Excluding “Hybrid Connections” from the process will greatly undermine our potential to decarbonise our economy and will leave the business community open to greater security-of-supply risks. Hybrid projects will allow for speedier delivery of large scale offshore renewable energy projects. Be it, at a local level for the provision of sufficient electricity supply in order to zone commercial land, our large indigenous SMEs and our cluster of multinationals, or the demand for data centres, there needs to be a confidence that Kildare can provide a steady supply of power into the future.

Brexit & Trade

Given the greater difficulties that Britain has created for itself when it comes to international trade, the Island of Ireland has an enormous opportunity to position itself as a logistics hub for any business that seeks to trade with both GB and the EU.

Located as we are between the EU and the Rest of the World, we have the potential to position ourselves as a first port of call, particularly for large shipping that may want to avoid the congested ports and waterways on the continent or Britain.

By integrating rail with our ports, we can facilitate smaller vessels that will have access to less strained EU and GB ports to support imports and exports to the US and Asia. Proximity to markets and suppliers is a major plus for businesses looking to set up in the Kildare region with excellent transport infrastructure and connectivity across the mid-east region and Dublin.

As the primary English speaking and common law country in the EU we have a distinct advantage over many of our peer nations, particularly when it comes to international



services. This should help ameliorate the tax related challenges that we will have as we now have other (and higher value) strengths with which to distinguish ourselves.

Underutilised domestic capacities

The considerable existing infrastructure deficit across many areas (including housing, transport, energy, and water) has significantly depressed and constrained our domestic economy.

It is prudent for the Department of Finance to have such a focus on our Debt/GNI* ratio. However, the attention has typically been on the Debt side rather than the GNI* level. The relatively low level of infrastructure investment since 2008 has resulted in considerable constraints being put on domestic growth.

Domestic enterprise growth policy should attend to the greater body of firms which are not typically supported by the state. Firstly, the regulatory environment for these businesses should be simplified – efforts should be made to consolidate employment law, rather than create new bills for relatively micro issues.

More fundamentally, it should be recognised that most businesses will never be High-Performance-Startups, and that HPSU's will never be large employers in Ireland as they will typically have to break into the global market if they are to scale up.

We need to develop an outward-looking medium business sector that trades internationally – for as long as our medium sized businesses remain focused on our domestic economy they will be vulnerable to shocks that alter their sector that emerge from abroad.

Another area that has low-to-negative productivity growth is construction. With population numbers in excess of our National Planning Framework figures, Government should be looking to use its share power in the social housing market to kick start modular building as an industry in Ireland. Government have the capacity to buy tens of thousands of modular homes, per annum over the next decade at least, potentially decades to come, it should use that scale to transform the existing construction sector into one that is possible to optimise.



3.0 CONCLUSION

This enterprise consultation takes place at a unique time, in the wake of a pandemic, yet in the midst of continuing optimism around our economic growth and future policy provision, through initiatives such as the NPF, the NDP and a number of regional plans, all focused on promoting and furthering growth within our towns and cities.

Quality of life, housing availability, infrastructure, transport, sustainable practises are all key to the continued success of Ireland and Kildare's economic growth. It is essential for the continued success of Kildare, its communities, and businesses that progress is made in each of these areas.

County Kildare Chamber is one of the largest business organisations outside of our cities. Our membership base is diverse and unique as Kildare is a growing county with a young talented population that is attractive for foreign direct investment and indigenous companies to locate/relocate to. Our proximity to Dublin, its port and airport ensures Kildare continues to welcome investment. This ensures that the Chamber along with all key stakeholders in the region continue to work and collaborate together to ensure business has every opportunity to thrive and success in Kildare.

County Kildare Chamber looks forward to working with the Department of Enterprise, Trade and Employment to deliver a successful outcome for Kildare and the country, and we are available at all times for consultation, discussion and support.

Yours faithfully,

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