

CCBS – LEGISLATIVE AFFAIRS

12 October 2018 – 19 October 2018



Northern Ireland
Assembly

The Northern Ireland Assembly was dissolved at 00:01 on Thursday 26 January 2017.



Tuesday 16 October 2018

Department for Foreign Affairs and Trade

Declan Breathnach asked the Minister for Foreign Affairs and Trade if he will report on the allocation in 2019 to North-South bodies; and if he will make a statement on the matter.

Simon Coveney: In this jurisdiction, responsibility for the North South Implementation Bodies is exercised by several of my Government colleagues: the Minister for Business, Enterprise and Innovation (InterTrade Ireland), the Minister for Culture, Heritage and the Gaeltacht (Waterways Ireland and the Language Body which comprises Foras na Gaeilge and the Ulster Scots Agency), the Minister for Communications, Climate Action and Environment (the Foyle, Carlingford and Irish Lights Commission - Loughs Agency); the Minister for Public Expenditure and Reform (the Special EU Programmes Body); and the Minister for Health (the Food Safety Promotion Board). Tourism Ireland Ltd. is the responsibility of the Minister for Transport, Tourism and Sport.

I do not have direct responsibility for any of the North South Implementation Bodies established under the British Irish Agreement or Tourism Ireland Ltd, or for allocations made to those Bodies.

The North South Implementation Bodies and Tourism Ireland, all of which operate on an all-island basis, are funded jointly by the Administrations, North and South, on the basis of an agreed contribution ratio, which varies from Body to Body, and decisions concerning the Bodies are taken jointly by the relevant Ministers North and South in the North South Ministerial Council (NSMC).

At present, in the absence of a Northern Ireland Executive, it is not possible for the NSMC to meet and to bring the Government and Executive together to oversee ongoing North South work and further develop cooperation, as provided for under the Good Friday Agreement. Notwithstanding the current political situation, the North South Implementation Bodies continue to carry out their important public functions in line with their mandates and to deliver economic and social benefits for people across the island.

Allocations to the Bodies are matters for the Ministers that I have listed, and full details of the allocations for 2019 will be set out in the Revised Estimates Volume.

Source <https://www.kildarestreet.com/wrans/?id=2018-10-16a.79&s=all-island+2018-10-12..2018-10-18#g81.r>

Thursday 18 October 2018

Department for Jobs, Enterprise and Innovation

Bernard Durkan asked the Minister for Jobs, Enterprise and Innovation the way in which Ireland compares with other EU and non-EU member states, including the UK, in terms of an attractive location for business and enterprise to locate and avail of innovation and technology; if there are particular areas needing attention in this regard particularly after Brexit; and if she will make a statement on the matter.

Heather Humphreys: Innovation 2020, Ireland's strategy for research and development, science and technology, was launched in December 2015 and articulates Ireland's ambition to become a Global Innovation Leader. The strategy aims to build on the significant successes which have seen Ireland dramatically improve its innovation performance globally.

Research, Development and Innovation (RDI) is globally recognised as the key economic differentiator and, as such, a very important feature of enterprise and investment in Ireland. Put simply, RDI enables Irish companies to make products and services that are innovative, competitive and more novel than those in global markets.

Earlier this year my Department launched a €500 million Disruptive Technologies Innovation Fund under the National Development Plan, with an initial exchequer allocation of €180 million to 2022. The Fund is competitive and is seeking investment in the research, development and deployment of disruptive technologies and applications on a commercial basis. It will drive collaboration between Ireland's world-class research base and industry as well as facilitating enterprises to compete directly for funding in support of the development and adoption of these technologies. Collaboration with an SME was an essential requirement in order to be eligible for funding under Call 1 of the Fund.

Enterprise Ireland (EI) and IDA Ireland are both agencies of my Department and each has a specific and very different role to play in the context of innovation and technology. EI is primarily focused on SMEs and indigenous enterprises, while IDA Ireland's main objective is to encourage investment into Ireland by foreign owned companies, in the form of foreign direct investment (FDI).

RDI enables Irish companies to make innovative products and services that are competitive and more novel than those in global markets. However, for an SME investment in RDI can be costly in terms of time, personnel and budget. It also requires a focus beyond the day to day challenges of running a business with limited resources.

EI has role in this regard to de-risk such RDI so that companies will develop new and improved products and services and achieve the required exports to allow economic growth. This is done either by supporting companies to do RDI within the company, or by collaborating with Higher Education Institutions (HEIs) or by sourcing / licencing new technologies from HEIs which can provide a step change in their innovative capabilities. These supports all help companies to develop new and improved products and services which serve as the basis for sustainable economic growth.

SMEs qualify for all of EI's funding programmes and a limited number of these programmes are also open to FDI companies. These supports all help companies develop new and improved products and services which serve as the basis for sustainable economic growth and are detailed below:

- In-Company RDI - supporting the development of new or substantially improved products, services or processes which will have a competitive advantage in their target market. This enables companies to increase employment through sustainable and substantially increased sales;
- The Agile Innovation Fund was launched in Quarter 4 2017 and is already gaining huge interest from companies. This Fund allows up to 50% in support for projects to a maximum total cost of €300,000 and has fast track approval;
- Innovation Vouchers - providing vouchers worth €5,000 aims to introduce them to innovation, linking them with a network of knowledge providers, North and South of the border;
- Innovation Partnerships - helping industry to engage in collaborative research projects with Irish universities and Institutes of Technology to develop new products and services;
- Technology Gateways - providing Business Development resources to the Institutes of Technology and other firms to help them interact with industry on a local, regional and national basis;
- Technology Centres - Technology Centres, a partnership between EI and IDA Ireland, are organised to respond rapidly to industry defined needs and conduct market-relevant RDI in partnership with collaborating groups of companies. Participating companies propose areas and themes of greatest relevance to them over a 3-5 year period. In response, the researchers develop solutions that respond to these needs, often exploring avenues that can lead to new licensable intellectual property;
- Campus Incubators – such facilities are internationally recognised as an important element of public assistance for technology-intensive start-ups. Incubators now exist on every university and Institute of technology Campus in the country.;

- The Business Innovation Initiative (BII) is aimed at driving innovation beyond selling products based on technical innovations; in turn providing more customer focussed process and service solutions;
- The Small Business Innovation Research (SBIR) Initiative is a cross-government process that allows public bodies to use public procurement to source RDI and innovative solutions to solve 'identified challenges' with solutions that are not currently commercially available. This provides significant business opportunities for innovation focused companies.

High Potential Start Up (HPSU) support is EI's most significant and relevant support available for new start-ups. HPSUs are start-up businesses with the potential to develop an innovative product or service for sale on international markets and the potential to create 10 jobs and €1m in sales within 3 to 4 years of starting up. A range of supports are available under the HPSU offer such as the:

- Innovative HPSU Fund - providing support to early stage companies considered to have an innovative product, service or technology with the potential to achieve international sales and create employment. It is an equity investment into HPSU clients on a co-funded basis to support the company's business plan. This offer also leverages private investments to help the company grow and succeed in the implementation of their business plans;
- New Frontiers Programme - a national entrepreneur development programme delivered locally through the Institutes of Technology (IoTs) and funded by EI.
- Competitive Start Fund (CSF) – aimed at accelerating the growth of start-up companies that have the capability to become HPSU companies.

IDA Ireland also has an important role to play in the Irish economy, as FDI has been, and will continue to be, a key plank upon which Ireland's economy is built. Its contribution is far reaching and it is estimated that 20% of all private sector employment in the State is directly or indirectly attributable to FDI. It also contributes significant taxation revenue to the Exchequer, generates other commercial activity across the economy and helps to drive investment in research and innovation.

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IDA Ireland is tasked with growing and sustaining FDI in Ireland. It achieves this by partnering with potential and existing investors to help them establish or expand operations here. It also provides a range of supports, including RDI grant assistance, to its client companies.

The four main types of grant offered by IDA Ireland to its clients are:

- Employment Grants are a fixed sum payable on the creation of each agreed job;
- Fixed Asset (capital) grants are payable as a percentage of expenditure incurred by the grantee on the purchase of fixed assets and can be related to the number of jobs created and maintained;

- Research and Development grants are payable as a contribution towards the cost of RDI undertaken by the grantee company;
- Training Grants are paid in certain cases to enable necessary skills to be learned.

The agency can also make available specific grants or a combination of grants which will frequently be calculated as an overall amount of grant per job, based on the number of jobs to be created by the grant-aided project.

Competition for global FDI has become increasingly intense. Nevertheless, multinational companies continue to invest and re-invest here with leading global firms from many sectors - including life sciences, ICT, engineering and digital media - all based in Ireland. The contribution that these investments make to our wider economy is undoubtedly significant and the Government is working hard to ensure that the country remains a destination of choice for overseas firms.

Ireland's strengths when it comes to attracting FDI are well-documented. These include our competitiveness, talented and productive workforce, favourable demographics and membership of the European Union. Our pro-enterprise business environment, and track record as a home to FDI, are also key factors. Reinforcing and sustaining these strengths is important to ensuring Ireland's continuing FDI competitiveness.

IDA Ireland's 2017 Annual Results provides evidence of our continuing capacity to attract FDI to Ireland. Total employment by overseas companies in Ireland has now surpassed 210,000 people - a record level - with the numbers of investments also increasing. IDA Ireland is also attracting more investment to the regions.

EI and IDA Ireland are resourced to meet the innovation needs of their respective client companies through the range of supports outlined above. SMEs do not compete with FDI projects in order to access supports and no advantage is afforded to foreign-owned companies in terms of the supports available for innovation.

Benchmarking Ireland's performance against other comparable economies is a key tool to enable the delivery of that ambition and to enable us to develop steps to improve our comparative performance. In this year's publication of the European Innovation Scoreboard 2018, Ireland remains in the category of "Strong Innovator" and has moved up a place to 9th in the EU. Ireland is placed first in three out of the ten dimensions considered - innovative SMEs, employment in knowledge-intensive activities and sales due to innovation activities. Ireland has also retained 10th place in the Global Innovation Index, out of 126 countries assessed. According to IBM Global Location Trends 2018, Ireland remains the number one destination for value for money from foreign direct investment.

The news that Ireland has fallen from 6th to 12th in the Institute of Management Development (IMD) world competitiveness rankings publication is disappointing. The National Competitiveness Council and my officials are reviewing the findings in detail to establish what actions we can take to further improve our competitiveness. However, I would note that despite the change in our ranking, we are the 3rd most competitive economy in the Euro area. This is still a significant achievement especially when you consider that the UK is ranked 20th.

It is also important to remember that a real indication of Ireland's competitiveness is our ongoing strong employment growth across sectors and regions. In this regard, the impressive performance of clients supported by the enterprise agencies in winning exports, market share and job creation in the face of intense global competition is to be commended.

As is recognised by the IMD, many of Ireland's traditional assets remain highly rated – in particular, our tax regime, high educational level, skilled workforce, business friendly environment and dynamic economy are all considered very attractive by business.

Further improving Ireland's competitiveness performance is a key priority for the Government. We are working hard to consolidate Ireland's traditional strengths in terms of talent, productivity and export competitiveness and to address those areas where we lag behind other countries, particularly in relation to infrastructure.

Assistance from the European Union continues to play a vital role in supporting innovation in enterprises operating in Ireland, both indigenous SMEs and foreign-owned multinational companies.

EI also has supports in place to help companies maximise the funding they can receive from the European Union.

Horizon 2020 is the instrument which supports collaborative R&D in Europe and provides an important source of non-exchequer funding for companies. It enables us to amplify the impact of domestic public investment by leveraging complementary funding from the EU.

Horizon 2020 has a budget of €75 billion and runs from 2014 to 2020. A budget of €30 billion has been allocated to the final three years of Horizon 2020, which will provide significant funding opportunities for companies in Ireland that participate in the programme over the period 2018-2020. Ireland has won €611 million from 2014 to August 2018 in competitive, EU funding from Horizon 2020. Higher Education Institutions accounted for €317.4 million of the total and companies, €232.8 million. The funding for companies included €158.8 million awarded to SMEs.

Under Horizon 2020, the SME Instrument is available and is specifically targeted at single or groups of highly innovative SMEs with international ambitions, determined to turn strong, innovative business ideas into winners on the market. The instrument provides full-cycle business innovation support from the stage of business idea conception and planning over business plan execution and demonstration to commercialisation. Ireland has the highest success rate in Europe for the Horizon 2020 SME Instrument with a 13% success rate, compared to a European average of 5.5%.

In light of Brexit, Irish companies will continue to focus more RDI in a bid to protect their current exports to the UK. Innovation will continue to play a central role in growing exports as well as contributing to employment and EI will assist SMEs in this regard. This continued innovation helps to insulate us from market shocks, such as those posed by Brexit.

Source: <https://www.kildarestreet.com/wrans/?id=2018-10-18a.496&s=cross+border+2018-10-12..2018-10-18#g500.r>