

Joint Committee on Arts, Heritage, Regional, Rural and Gaeltacht Affairs - Introductory Statement

Introduction

Chair, Committee Members,

To begin, I wish to thank the Committee for inviting me to speak to you on what it takes to sustain a viable rural community. I am joined by my colleague Garrett Murray, Department Manager Policy, Planning and Government Relations. I propose to briefly take Committee Members through how Enterprise Ireland is supporting rural development in every region in Ireland, after which my colleague and I will respond to any questions you may have.

Enterprise Ireland supports companies in regional and rural areas to start, innovate and remain competitive in international markets, now and into the future. In addition, with the advent of the network of Local Enterprise Offices, Enterprise Ireland now plays a critical role in driving and nurturing entrepreneurship all the way from an originating idea at local level, to taking-on global markets.

The 5,000 manufacturing and internationally traded services companies that Enterprise Ireland works with are a critical source of existing employment and job creation in every county in Ireland. In 2015 Enterprise Ireland client companies created 21,118 jobs resulting in net creation of 10,169 jobs, bringing the total direct employment in Enterprise Ireland supported companies to 192,223. We are forecasting our clients will achieve our strategic target of 200,000 direct jobs by year end and are actively supporting them to deliver on this.

The contribution of Enterprise Ireland client companies to the Irish economy is very important, particularly from a regional and rural perspective. Enterprise Ireland supported companies sustain over 300,000 direct and indirect jobs nationwide. In addition, the total spend of Enterprise Ireland clients in the Irish economy across payroll and goods and services purchased, reached €23.7bn in 2015.

I would like to take this opportunity to share with you Enterprise Ireland's national footprint

- Enterprise Ireland has 9 regional offices (excluding the Dublin office) throughout Ireland including offices in Tralee, Letterkenny, Sligo and Dundalk. This enables Enterprise Ireland to connect and collaborate at a local level with enterprise development partners to assist in driving the multiagency response required to promote regional and rural development. The work of our Regional Directors in supporting the implementation of the Government's Regional Action Plans for Jobs alongside enterprise partners such as IDA Ireland and the Local Authorities is an active example of this.
- Sixty-two per cent of Enterprise Ireland's client are located outside of Dublin, for example, SureTank Ltd in Dunleer, Obelisk Communications in Cavan and Dairymaster in Tralee.
- Sixty-four per cent of the net new jobs created in 2015 by Enterprise Ireland support clients were outside of Dublin. The announcement of VistaMed in August of this year to create 200 jobs in Carrick-on-Shannon is an example of our client companies creating jobs in regional and rural areas.
- Forty-seven per cent of the HPSUs Class of 2015 are from outside Dublin, for example, Pundit Arena, an ICT company based in Douglas and Wrapsies Ltd, a manufacturing company from Clonmel.

As illustrated, Enterprise Ireland has a national footprint. From our interactions with clients we are seeing companies are born in rural locations, creating jobs in rural areas and innovating to provide globally competitive product for international markets (Banagher Concrete in Banagher Offaly is an example of such a company).

To support regional and rural enterprise development, Enterprise Ireland focuses supports and activities on a number of key areas including:

1. Prospecting for a pipeline of early stage start-ups and high potential start-ups.
2. Working with established clients and potential exporters in regional and rural areas to maximise job creation potential and to support internationalisation.
3. Working with the higher education sector to further strengthen the innovative capability of companies based in Ireland and supporting the commercialisation of research.
4. Working with the LEOs, Community Enterprise Centres, IDA Ireland and other enterprise development partners to enhance the ecosystem supporting enterprise in a region.

My colleague and I welcome questions on any of the above areas but I would like to take this opportunity to focus specifically on the following:

Promoting Entrepreneurship and Start-Up Creation

New start-ups play a critical role in net new job creation in all advanced economies. Promoting entrepreneurship and start-up creation is a key focus of Enterprise Ireland's corporate strategy. As such Enterprise Ireland has a number of supports to assist ambitious entrepreneurs which have a regional and rural reach, including;

- *Enterprise Start*: A workshop for entrepreneurs to validate business ideas. This initiative is rolled out in regional and rural locations. The next workshop scheduled for the 1st of December is in Ballinasloe.
- *New Frontiers*: Enterprise Ireland, in partnership with the thirteen Institutes of Technology around the country, run the New Frontiers Programme, Ireland's national entrepreneur development programme for innovative, early-stage startups.
- *Competitive Start Fund*: The purpose of the Competitive Start Fund is to accelerate the growth of start-up companies that have the capability to succeed in global markets and to enable those companies reach key commercial and technical milestones. Enterprise Ireland is currently utilising this support to target start-ups in the agriculture and manufacturing sector.
- *Competitive Feasibility Fund*: Enterprise Ireland regularly offers feasibility funding for business start-ups in various sectors and geographic regions. The objective of the Competitive Feasibility Funds is to assist new start-up companies or entrepreneurs, to investigate the viability of a new growth-orientated business proposition which has the potential to become a High Growth Potential Start-up. There is currently a Competitive Feasibility Fund open to applicants from the Mid-West Region, the Cork Region and the Agri-Business sector.

In promoting entrepreneurship and start-up creation, I would like to flag the importance of social inclusion. To support this, Enterprise Ireland has a targeted female entrepreneurship programme and is currently running a Competitive Start Fund competition targeted at graduates and females. Initiatives such as this allow a community to harness the entrepreneurial power within it.

Supporting Micro-Enterprise

The indigenous micro-enterprise and small business sector is central to economic recovery, job creation and the future prosperity of the Irish economy. Small and micro businesses are the lifeblood of this economy at regional and rural level. Over 90% of our enterprise base is made up of small and micro companies. Between them, they employ around 622,000 people and contribute some €10 billion to the Exchequer each year. The Local Enterprise Offices, in collaboration with Enterprise Ireland through the implementation of a Service Level Agreement, act as a first-stop-shop to provide support and services to start, grow and develop micro business in each local area.

At Enterprise Ireland, we support global ambition and are actively working with the LEOs to ensure that companies with exporting potential are progressed to Enterprise Ireland in order to provide the company with the appropriate supports. Harnessing the potential in such companies and supporting them to internationalise is vital to sustain regional and rural communities.

Supporting Communities established Enterprise Centers

Over the last 15 years Enterprise Ireland has supported the building and development of many community-based enterprise centres across the country via the Community Enterprise Centre Scheme. Since the launch of this Scheme in 1989 €64 million has been approved by the Agency for the development of 157 CECs across the country in locations such as Kells, Kilgarvan and Mitchelstown. In addition, Enterprise Ireland launched a €2m programme to support the Business Development Function/Manager for these centre, 46 business development managers were funded by Enterprise Ireland under this initiative. These centers collectively employ approximately 6,000 people across 1,200 companies and service as a hub of enterprise activity in many areas.

To build on the success of this Scheme throughout the country, in 2015, as part of Government's Regional Action Plan for Jobs Initiative, Enterprise Ireland launched a €5 million Community Enterprise Initiative Scheme. Thirty-two applicants were approved with funding totalling €3 million.

Regional Funding

Looking forward into 2017, as announced in Budget 2017, as part of the Government's commitment to support regional enterprise development and to support the implementation of the Regional Action Plans for Jobs, Enterprise Ireland will also roll out a series of competitive regional funds to

support collaborative approaches to job creation projects across the regions in 2017. In addition, Local Enterprise Offices' (LEOs) will see their capital funding grow by 22% to €22.5m, recognising their potential to generate start-ups and job creation at local level.

Before I conclude my opening introductory statement I would like to highlight the challenges posed by Brexit. Irish exporters in regional and rural locations are significantly impacted by Brexit, some companies more than others and some regions more so than others. In an environment of political uncertainty, what is certain is the impact of Brexit will not be temporary but rather a structural change that requires a strategic response from Irish exporters and from Enterprise Ireland. Enterprise Ireland's current activities and our strategy 2017-2020 will have the twin focus of supporting our clients to sustain and grow exports in the UK and extend their global reach. On June 24 2016, in the immediate aftermath of the Brexit vote our focus was on reaching out to our clients, for example:

- Developing a New 'Guide to Exporting to the UK, post EU Referendum'
- Developing a Webinar on currency volatility and hedging
- Promoting global market opportunities in the media
- Preparing a Comprehensive Guide to Exporting to the UK with expert guidance and advice on diversification, competitiveness, tax, business planning and managing currency risk
- Publishing a revised schedule of Trade and Investment Missions.

Our plans in the medium term are to support our clients to consolidate and grow exports in the UK market, expand the Irish export footprint, re-orienting towards North America, Canada, Asia and the Middle-East. This will be achieved by developing and intensifying our client offering and our Enterprise Ireland Export Platform, in the UK and elsewhere, to support our clients to enhance their competitiveness and scale.

I would like to thank the Committee for the opportunity to talk with you this afternoon and welcome any questions.