



**AN GHNÍOMHAIREACHT** | **INVESTMENT AND**  
**INFHEISTÍOCHTA AGUS FORBARTHA** | **DEVELOPMENT AGENCY**

TRÍ, PLÁS NA PÁIRCE	THREE PARK PLACE
SRÁID HAISTE UACHTARACH	HATCH STREET UPPER
BAILE ÁTHA CLIATH 2 ÉIRE	DUBLIN 2 IRELAND
FÓN (01) 603 4000	TELEPHONE (01) 603 4000
LÍNE DHÍREACH (01) 603 4146	DIRECT TEL (01) 603 4146
RÍOMHPHOST martin.shanahan@ida.ie	EMAIL martin.shanahan@ida.ie
SUÍOMH GRÉASÁIN www.idaireland.com	WEBSITE www.idaireland.com

<b>MAIRTÍN D. Ó SEANACHÁIN</b>	<b>MARTIN D. SHANAHAN</b>
PRÍOMHOIFIGEACH FEIDHMIÚCHAÍN	CHIEF EXECUTIVE OFFICER

Ms. Sarah Cremin  
Committee of Public Accounts  
Leinster House  
Dublin 2 D02 XR20

20<sup>th</sup> December 2021

**RE: IDA Response to Committee of Public Accounts Ref: SO652 PAC 33**

Dear Ms. Cremin,

I refer to the letter dated 7<sup>th</sup> December 2021, arising from a request from Deputy Catherine Murphy in relation to correspondence to the Committee of Public Accounts (“Committee”) from the HSE dated 18 October 2021. The Committee requested answers to the following questions:

1. Details of the IDA’s dealings with companies regarding the procurement of Chinese ventilators between February and May 2020, the names of all those companies, and details of which deals proceeded and which ones didn’t.
2. If any legal proceedings have been initiated because of those interactions and the costs and stages those proceedings are currently at.

**Background**

The Republic of Ireland’s first confirmed case of COVID-19 was reported on the 29<sup>th</sup> February 2020.

Confirmation by the WHO of COVID-19 as a global pandemic in early March 2020 caused worldwide demand for personal protective equipment (PPE) and other critical care products, including ventilators, to reach unprecedented levels, triggering severe disruption to global supply chains. This presented the HSE with an extraordinary challenge as their traditional sources of supply for these products (US and Europe) were depleted at a time of unprecedented demand. IDA was asked to partner with the HSE to use its international commercial and political network to address this critical issue. The work involved very close cooperation and partnership between the HSE, IDA Ireland, the Department of Enterprise Trade and Employment (“DETE”), the Department of Foreign Affairs and Trade in Dublin and the Embassies of Ireland in Beijing (China), Seoul (South Korea) and Tokyo (Japan).

**Question 1**

*Details of IDA’s dealings with companies regarding the procurement of Chinese ventilators between February and May 2020, the names of all those companies, and details of which deals proceeded and which ones didn’t.*

On receipt of an urgent request from the HSE in March 2020 to identify potential Chinese ventilator suppliers, IDA mobilised the IDA China team who immediately responded and took the following actions:

1. IDA contacted companies that are listed and recommended by the Chinese Foreign Affairs Ministry and the Shenzhen Government with the capacity to deliver and export to international markets.
2. CE Certification of these companies as suppliers of ventilators for international markets was then checked. CE Certification refers to compliance of a product with all applicable European health, safety, performance, and environmental requirements.

3. The companies were further validated on China's Company Credit Investigation Platform (Tianyancha.com).
4. Companies who met the above criteria, were considered qualified for further engagement and were met by IDA executives in China.
5. At these face-to-face meetings, specifications supplied by the HSE were shared with the potential suppliers. Qualified companies were then recommended to the HSE for consideration.
6. The HSE carried out due diligence through desk top evaluation and further validation by the appropriate HSE Clinical and Engineering Group in Ireland, in advance of any purchase order being placed.
7. IDA was not involved in selecting specific suppliers. These decisions were made exclusively by the HSE, based on quality, clinical compatibility, quantity and cost.
8. IDA continued to assist the HSE in communicating with the suppliers (most of this was in Chinese). IDA also assisted with logistics and delivery arrangements.
9. In consideration of IDA's obligations around confidentiality, please see below table with anonymised data relating to HSE deals from IDA introduced companies:

#### **Company Names and Details**

<b>Dealing Details</b>	<b>Company</b>	<b>Quantity</b>	<b>Note</b>
<b>HSE Deals which proceeded</b>	Company 1	250 units	All units arrived in Ireland on time
	Company 2	150 units	All units arrived in Ireland on time
<b>HSE Deals which didn't proceed</b>	Company 3	N/a	HSE rejected company 3 products because of technical issues.
	Company 4	N/a	Not accepted by HSE
	Company 5	N/a	Not accepted by HSE due to extended lead time.
<b>HSE Deals which proceeded and were then cancelled by HSE</b>	Company 6	200 units	Initial order cancelled and HSE fully reimbursed.

#### **Question 2**

*If any legal proceedings have been initiated because of those interactions and the costs and stages those proceedings are currently at.*

In addition to its primary task of introducing the HSE to suppliers of critical care goods, IDA also filtered, in partnership with DETE, a large volume of offers of support coming from a range of different parties. Included among them, was an Irish company called Narooma Limited, approached the HSE through IDA to offer to supply ventilators from Company 6 (as referenced above) in China.

Narooma Limited have initiated High Court proceedings against the HSE for alleged breach of contract, which were stayed by the High Court on foot of an application by the HSE and referred to confidential Arbitration. Subsequently, Narooma Limited also brought High Court proceedings against IDA, alleging inducement by IDA of the alleged breach of contract by the HSE. This matter is currently before the courts with judgment awaited in a Security for Costs application brought by IDA. IDA are vigorously defending this case. As the litigation is ongoing, we are not in a position to comment on costs.

Regards,

A handwritten signature in black ink, appearing to read 'MSH', with a long horizontal flourish extending to the right.

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Martin Shanahan