



**Enterprise Ireland  
Opening Address  
Joint Committee on Enterprise, Trade and Employment  
9<sup>th</sup> November 2022**

Chair, Committee Members,

I am Leo Clancy, CEO of Enterprise Ireland. I would like to introduce my colleagues who are accompanying me today:

- Carol Gibbons, Divisional Manager for Regions and Local Enterprise, and
- Donal Leahy, Manager of Enterprise Ireland's Strategic Policy team.

I welcome the opportunity to present to the members of the Committee on the topic of **current issues affecting trade in Ireland, the supports available to businesses and matters affecting indigenous enterprise with small and medium enterprises** and to outline the actions and initiatives that Enterprise Ireland is engaged in to support companies in this area.

**Enterprise Ireland – Overview**

Enterprise Ireland's purpose is helping Irish companies to start, grow, innovate and win export sales. We work with internationally focused Irish enterprises across all sectors of the economy, predominately with SMEs, supporting them to strengthen their competitiveness and productivity, increase innovation, and realise their growth potential, contributing to employment and economic growth across all regions. We also work with the network of 31 Local Enterprise Offices through our Centre of Excellence to support the growth of micro-enterprises across the country.

Enterprise Ireland's Strategy for 2022-2024 is titled **Leading in a Changing World**. Our mission, as set out at the start of 2022, is to *accelerate the development of world-class Irish companies to achieve leading positions in global markets*. Since we launched our Strategy in early 2022 the trading environment for the Agency's ambitious exporting companies has become more challenging. I will address the specific headwinds that Irish indigenous businesses are facing, but we believe that our strategy is still the right approach.

**Recent Performance**

In 2021 Enterprise Ireland backed companies, employed over 200,000 individuals across Ireland, generated €27.3 billion in exports, directly invested €9.79 billion in the Irish economy in the form

of wages and salaries, as well as €15 billion in materials produced in Ireland, and €6.4 billion in Irish services.

The Enterprise Ireland client companies represented in these figures cover a vast range of sectors, including but not limited to, construction, energy, engineering, food and drink, medical devices, ICT, and pharmaceuticals.

Our client companies are responding well to current trading issues and expanding with 315 new overseas presences established in the first 9 months of this year, across all regions.

Client sentiment remains positive with 91% of companies surveyed ahead of our recent International Markets Week anticipating growth in 2023.

The Local Enterprise Offices have just come out of their 8th consecutive year of growth with 7,400 new jobs created by LEO clients in 2021.

That is not to mention the thousands of other businesses they have helped with additional measures such as training and mentoring programmes, the Trading Online Voucher scheme, LEAN for Micro, Green for Micro and the Start Your Own Business programme. The Local Enterprise Offices are at the very heart of business development and entrepreneurship in towns and communities right across the country.

### **Challenges for SMEs**

In summary, trading performance recovered very well from the pandemic and, prior to recent inflationary factors exacerbated by the illegal war in Ukraine, companies were broadly doing well. However, we are keenly aware of the competitiveness issues that are impacting our client base.

From our daily interactions with client companies, we are hearing that economic headwinds are causing businesses to consider the moderation of their growth ambitions. Energy costs and energy security, inflation and currency fluctuations are major concerns for many indigenous enterprises. These factors were reiterated through a recent survey ahead of our International Markets Week, where we asked several hundred clients about key concerns.

Added to these are the consequences and ongoing uncertainty around Brexit, talent and skills shortages, increased costs of funding to grow businesses, an imminent global economic slowdown, supply chain disruption and the potential reversal of globalisation.

We have delivered some specific responses to specific issues, both independently and with our colleagues in the Department of Enterprise Trade and Employment – which I will address. But, it is important to note that many of the direct concerns for businesses are beyond our control. What is in our control is assisting our clients in maintaining their ability to compete, keeping in mind how increased competitiveness and productivity can have enduring benefits.

## **Addressing Specific Issues**

### **1. Supporting Companies who are currently viable but financially vulnerable as a result of the effects of the Ukraine crisis.**

Energy costs are the most urgent issue facing many Irish enterprises. Working closely with our colleagues in DETE, we recently launched the Ukraine Enterprise Crisis Scheme. This €200m scheme offers two streams of support to manufacturing and Internationally Traded Services companies.

- Stream 1 is a liquidity measure that will help viable manufacturing and Internationally Traded Services companies experiencing trading difficulties to access funding up to €500,000;
- Stream 2 is a State aid support for eligible energy intensive companies who are experiencing severe increases in natural gas and electricity costs in 2022.

This Scheme is complementary to other supports being provided by the State, including TBESS. We believe that the Ukraine Enterprise Crisis Scheme is an agile response to a developing situation.

### **2. Supporting Energy Efficiency and Decarbonisation**

As well as supporting companies through the current crisis, Enterprise Ireland is actively working to help companies, to develop and implement sustainability plans, addressing energy efficiency and decarbonisation. The agency has a range of funding supports under the Green Transition Fund. These include training and business planning supports and funding for capital investment in decarbonisation and energy monitoring.

### **3. Supporting the Digital Transition**

Under the Digital Transition Fund, which is part of Ireland's National Recovery and Resilience Plan. Enterprise Ireland will increase digitalisation across all businesses across products, processes, supply chains and business models. This will bring about productivity gains, access to new markets, increased innovation and improved competitiveness.

### **4. Productivity Enhancements**

Of course, all existing proven and effective Enterprise Ireland supports remain open to eligible companies, including funding towards capital investment, job expansion, training, and R&D&I – supports that will help companies increase their productivity. We are also actively supporting companies scale by developing leadership and management capability, supporting internationalisation and access to capital.

## **Conclusion**

Strengthening resilience in the SME sector and enabling them to compete internationally and in the low carbon economy are key areas of focus for Enterprise Ireland.

We are going to be unwavering in our commitment to preserving and growing employment, both numbers and quality.

Enterprise Ireland's message continues to be that for all businesses who need support is to contact Enterprise Ireland, their Local Enterprise Office and to put in place plans now – don't wait.

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