



**Opening Statement for Briefing the
Joint Committee on Enterprise, Trade and Employment
On the Topic of**

**The Department of Enterprise, Trade and Employment
Statement of Strategy**

**Mr Declan Hughes
Secretary General
Department of Enterprise, Trade and Employment**

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Cathaoirleach

Member of the Committee

I welcome the opportunity to discuss the Statement of Strategy for the Department of Enterprise, Trade and Employment for 2023 to 2025.

I am very pleased to meet the Committee for the first time since my appointment as Secretary General on 1 June this year. I would like to briefly introduce my colleagues: Mr David Hegarty, Assistant Secretary, Enterprise Strategy, Competitiveness and Evaluation Division, Ms Tara Coogan, Principal Officer, Workplace Regulation and Economic Migration Division, Mr John Maher, Principal Officer, Corporate Services Division and Mr Tommy Murray, Principal Officer, Indigenous Enterprise Division, Mr John Newham, Assistant Secretary, Investment and Innovation Division and Ms Jean Carberry, Assistant Secretary, EU and Digital Affairs Div.

As the Committee is aware, my Department leads in advising on and implementing the Government's policies of stimulating the productive capacity of the economy and developing an environment which facilitates employment creation and sustainability. We are also charged with promoting fair competition in the marketplace, protecting consumers and safeguarding workers' rights.

Since 2020, the Department has been working to achieve the commitments and priorities set out in the Programme for Government: Our Shared Future. We implemented our 2021-2023 Statement of Strategy and progressed our strategic goals during a period when the COVID-19 pandemic, the United Kingdom's withdrawal from the EU and the war in Ukraine created unprecedented challenges for the business community in Ireland.

These events, which resulted in disruption of trade flows and supply chains and exceptional levels of price increases, necessitated a wide-ranging and comprehensive response from the Department, which together with a range of supports for firms more broadly from Government, has helped to underpin the resilience of the economy. Indeed, the resilience of the labour market has exceeded expectations, with now over 2.6 million people employed and unemployment is now at its lowest rate ever at 3.8% last month.

The performance of our enterprise development agencies is key to our strategic objective of creating and maintaining high quality employment across all parts of our country. Enterprise Ireland results for 2022 are very strong. EI client company exports increasing by 19% to a record €32 billion in 2022. EI client companies employed 218,000 people, with 19,660 new jobs created in 2022. Indigenous enterprise policy is delivering balanced regional development. 68% of EI's total client employment is outside of Dublin with 64% of new jobs created outside of Dublin. There was also strong performance by EI clients in the climate, sustainability and agri-tech sectors which recorded 13% job growth last year and also in the digital technologies sector which grew by 9% growth overall.

The Local Enterprise Offices continue to nurture and support entrepreneurs and help companies across the country respond to the energy and cost of living crises. In total 37,863 people are now employed by LEO client companies. In 2022 7,870 new jobs were created by 7,221 client companies and €21,124,313 in direct financial assistance was approved for 1,112 business projects.

These results give us a really strong platform on which to further grow our strong indigenous base in a sustainable way.

2022 was also a record year for foreign direct investment with total direct employment in IDA supported companies at 301,475, a 9% increase on 2021. Employment grew by 24,000 which represents the highest level of job creation on record. Employment gains were recorded across the country, with every region experiencing growth in 2022.

Despite significant challenges in the global economy, half year results from IDA Ireland published last week show this level of performance have continued into 2023. In the last six months, 139 investments were won, with the potential to create 12,000 jobs. 52 were first time investments.

We are seeing an increased scale and complexity to the types of investment being secured, with 25 Research, Development and Innovation (RD&I) projects and 13 sustainability projects won in 2023 to date, reflecting Ireland's strengths as a location to implement major projects. The spread of jobs and investment is also in keeping with Government policy, with 67 (48%) of the 139 investments outside of Dublin.

In preparing our new strategy for the period 2023-2025 we reflected on our important remit and considered the broader economic context in which we were working. By most measures, we were operating in a position of economic strength - with record numbers in employment, a positive trade balance and continued economic growth – and this remains the case today. In the recently published 2023 IMD World Competitiveness Rankings, Ireland placed second overall based on our ability to create and maintain a competitive business environment and placed first for economic performance.

However, despite these positive results, we are again in a strategic planning cycle defined by uncertainty and challenge, with the continuing war in Europe and its consequences for energy security, trade, and the cost of living. As Secretary General, I am cognisant that economic pressures arising from the war in Ukraine and addressing the twin transitions of digital and climate present significant challenges for the Department. Responding to these will be our key objective in the coming years, alongside maintaining our robust economic and employment performance.

We also recognise our important role in delivering our priorities under the Programme for Government and in delivering cross-Government policy objectives as set out in documents such as the National Planning Framework and National Development Plan, the Climate Action Plan 2023, Harnessing Digital – the Digital Ireland Framework and to our international commitments including the UN Sustainable Development Goals.

A significant influence on the development of our updated Strategy is the Government's White Paper on Enterprise 2022-2030, which sets out the medium- and long-term ambitions for a vibrant, resilient, regionally balanced and sustainable economy made up of a diversified mix of leading global companies, internationally competitive Irish enterprises and thriving local businesses. The White Paper puts decarbonisation at the centre of enterprise policy and its publication in December 2022 provided a fresh impetus to the ambition for the success of our business sector and that vision is reflected in this Strategy.

We are acutely aware that our work is critical to driving the efficient economic engine that is our country. As part of our Statement of Strategy for the coming period we have set out a vision *‘...to make Ireland the best place to succeed in business, across all parts of the country, with vibrant enterprises, more high-quality employment, growing trade, fair workplaces and higher productivity.’*

We have an ambitious programme of work ahead of us for the coming years and our Department, its Offices and Agencies will work collaboratively with colleagues across Government, business, employer and worker representatives, other stakeholders and at EU and international level to achieve this vision.

Our strategic approach for 2023 to 2025 is to protect and build on the progress we have made, while advancing the digital and green transitions. At the heart of our Strategy is sustainable economic development through the creation and maintenance of high-quality employment across all parts of our country by:

- championing enterprise;
- ensuring a competitive business base to incentivise work, sustainable enterprise, innovation and investment;
- strengthening global connections and trade;
- promoting fair, competitive markets and responsible business practice;
- as well as safe, flexible and decent workplaces through the regulatory and enforcement work of the Department, its Offices and its Agencies.

Over the next three years, we will work towards achieving our high-level goals of:

1. Sustaining full employment and ensuring strong regional economic development;
2. Advancing the green and digital transitions to ensure the competitiveness and sustainability of Irish-based enterprise;
3. Promoting safety, better pay and conditions, good quality jobs, gender equality and inclusivity in the workplace;
4. Enhancing our business regulatory environment and Ireland’s attractiveness as a place to do business;
5. Deepening and extending Ireland’s global business and trade in a responsible, fair and sustainable manner supportive of high living standards and grow further the all-island economy; and
6. Building an innovative and agile Department with a strong public service ethos driving effective and responsible policy implementation.

In the Statement of Strategy, we set out how we intend to achieve these goals, as well as how our performance will be measured, including through our Data Dashboard, Annual Reports, Public Service Performance Report and the White Paper on Enterprise Progress Reports.

We will continue to prioritise our engagement with the broad base business, employer and employee representative groups and stakeholders, through initiatives such as the Enterprise Forum, the Retail Forum, the Company Law Review Group and our new Employment Law review Group and the Enterprise Digital Advisory Forum. We also place huge value on government and cross-departmental groups such as the Labour Employer Economic Forum and other groups set up for specific purposes.

Separately, bottom-up initiatives facilitated through the Regional Enterprise Plan governance structures provide important leadership for the regional enterprise ecosystem. These groups, working with colleagues in our Department, our Offices, development agencies and other government departments, provide platforms for direct engagement with the enterprise sectors as they meet the challenges and opportunities of digitalisation, green transition and blended working. These fora also provide ongoing and valuable advice and assistance to the Department on a wide range of actions and strategy developments.

We look forward to continuing to work with this Committee and the Oireachtas to progress new legislation and policies across our remit in the areas of company law, competition and consumer protection law, health and safety, trade, digital as well as employments rights and industrial relations.

While we work to achieve our vision, we will remain committed to our Departmental values of accountability, efficiency, innovation and value for money.

On the latter point, one of my current priorities is working with Ministers on securing the Departmental budget necessary to continue delivering and expanding the critical enterprise supports, in particular for decarbonisation required in the business sector.

Conclusion

In conclusion, while I am conscious that in this short statement I have just touched on the full breadth of our Department's remit and objectives, I assure the Committee we will continue to build on the broad range of reforms and measures we introduced to help SMEs and businesses generally through the challenges of the last number of years, so as to sustain and grow jobs and employment opportunities. We will continue to work with the broad base of enterprise and worker stakeholders to support entrepreneurship and prepare businesses for the challenges and opportunities of the future economy, including increased digitalisation and green transition and taking full advantage of the opportunities for increased productivity growth, innovation and internationalisation, so our businesses are best placed to provide sustainable, rewarding, and well-paid jobs into the future.

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