Chambers Ireland
Advancing business together

Department of Enterprise, Tourism and Employment

Statement of Strategy 2025 – 2028

Submission by Chambers Ireland

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Key Points

- We welcome the decision to fast-track the Action Plan on Competitiveness and Productivity but delivery of its objectives will be key.
- Poor delivery of our core infrastructure, including housing, energy, water and wastewater treatment and transport severely impacts our competitiveness.
- The cost of doing business continues to be a core issue for businesses.
- Embedding the SME Test in legislation, and process, is essential to ensure that new legislative requirements do not disproportionately burden smaller firms.
- Energy security and the lack of progress regarding renewables is an area of concern and is harming our reputation as a reliable location for foreign capital.
- We are in favour of holding a referendum on the Unified Patent Court without delay.
- Targeted supports for digitalisation, AI and tech adoption will help SMEs remain competitive.
- National Training Fund resources should be directed towards funding future-proofed skills development courses – including digital skills - for SMEs.
- The new employment permits system (Employment Permits Online) will help simplify the permitting process and help businesses in terms of talent attraction.
- A comprehensive review of all employment legislation that has been introduced over the past three years should be carried out and their cumulative effect on employers should be considered.
- Employment legislation needs to be consolidated.
- Gold-plating must be avoided in the transposition and implementation of new EU legislation.
- Tourism is a key pillar of the Irish economy and to remain competitive, we must prioritise connectivity, invest in public transport and improve digital supports for businesses.

About Chambers Ireland

Chambers Ireland is an all-island business organisation with a unique geographical reach. Our 36 members are the Chambers of Commerce in the cities and towns throughout the country – active in every constituency. Each of our member Chambers is central to their local business community and all seek to promote thriving local economies that can support sustainable cities and communities.

Priorities of the Chamber Network

The policy priorities of our Network for 2025 are:

1. Competitiveness
2. Housing and Infrastructure
3. Energy and Sustainability
4. Workplace and Skills Development
5. Thriving Towns and Cities

Our Perspective

We welcome the opportunity to contribute to the development of the Department's Statement of Strategy for 2025–2028. As a key stakeholder invested in the long-term economic resilience and success of Ireland's enterprise landscape, we strongly believe that a strategic, long-term focus on empowering indigenous enterprise should be prioritised.

Competitiveness should be front and centre of the Department's policy engagement going forward. We fully support the Department's vision to 'make Ireland the best place to succeed in business across all parts of our country, with vibrant, competitive enterprises, more high-quality employment, growing trade, fair workplaces and higher productivity'.

The success in attracting multinational companies stems from a combination of strategic state policies, a skilled workforce and access to the EU market — all of which have delivered significant economic and social benefits. According to the Central Statistics Office,[1] while only about 3% of enterprises in Ireland were owned by foreign multinational companies in 2022, these accounted for 71% of the total turnover (€921 billion) and Gross Value Added (GVA) (€301 billion), and 27% of employment (623,128 people) in the economy.

In areas of the High Value Manufacturing Sector such as Pharma/Biotech, AgriFood, ICT and MedTech, our existing industrial policy has served Ireland particularly well; particularly in terms of providing employment. The geographic spread of such employers and the importance they have in those areas in terms of both direct and indirect employment and related income taxes should not be underestimated. Any future policy should build on the success of these sectors and must ensure that the achievements in those areas can continue.

Nonetheless as a result of the success in attracting Foreign Direct Investment, the State is reliant on a narrow tax base which leaves public finances exposed to global shifts in trade, regulation

[1] https://www.cso.ie/en/releasesandpublications/ep/p-biiim/businessinireland2022-insightsonmultinationals/keyfindings/#:~:text=While%20only%20about%203%25%20of,in%20the%20Irish%20business%20economy.

and investment patterns. Rebalancing the dependence should be a key priority and controlling what is within our control should be the mantra of the next Strategy. This means urgently and vastly improving our infrastructure, expanding our trade connections and becoming a pro-business economy guided by sensible principles.

Strengthening our Competitiveness

While there has been a pause in the recently announced US tariffs, the uncertainty they create continues to cast a shadow over international trade. Rather than retaliation, policy should instead focus on strengthening market access, supporting businesses in navigating regulatory challenges and investing in infrastructure that enables companies to mitigate the potential impact on their business models.

Our highly-skilled workforce and strategic access to the Single Market makes Ireland an attractive destination for business. However, the cost of doing business — particularly regarding the rental cost of commercial property, energy and skilled labour — are creating significant challenges for businesses of all sizes.[2] There is the issue of associated additional costs arising from upgrading a substantial amount of commercial property for impending energy efficiency standards. These cost pressures are particularly acute in our urban centres and in the long-run risk undermining our long-term competitiveness.

In our General Election Manifesto, we called for a comprehensive national resilience strategy that goes beyond economic policy to encompass national defence, cybersecurity, and infrastructure protection. Strategic sectors such as energy, communications, and digital technology form the backbone of Ireland's modern economy. Ensuring the resilience of these systems against global

[2] As reflected in the Irish results of the Eurochambres Economic Survey 2025: https://chambers.ie/press-releases/chambers-ireland-publishes-irish-results-from-europes-largest-business-sentiment-survey/#:~:text=Chambers%20Ireland%20today%20(12%20November,bracing%20for%20another%20challenging%20year.

disruptions, whether through trade shocks, cyberattacks, or supply chain instability—is essential to maintaining business continuity and investor confidence.[3]

Related to this point, we welcome the recent announcement to fast-track the development of an Action Plan on Competitiveness and Productivity[4] which comes at a pivotal time for businesses. We strongly support the decision to accelerate this process and identify actionable reforms, ranging from regulatory streamlining to infrastructure investment and trade promotion. We are pleased to see commitments to improving supports for exporters and the overall focus on cost pressures experienced by businesses.

The establishment of a Small Business Unit and the creation of a Cost of Business Advisory Forum mark important steps towards embedding the needs of smaller businesses into future policymaking. Moreover, we believe the Government's renewed focus on long-term competitiveness must prioritise innovation, digital transformation, and a 'Think Small First' approach to policy design. The Action Plan is an opportunity to deliver on this vision but delivery will be key if we are to ensure that SMEs especially can scale, adapt and lead in global markets.

Skills

Talent attraction and retention are core priorities of the Chamber Network and critical factors in our competitiveness. Growing talent shortages are being felt by almost all businesses and especially by SMEs. According to our Skills Gap Survey in late 2023[5], nearly 9 in 10 businesses were struggling to recruit staff with the necessary skills and qualifications. The survey found that 95% of micro-enterprises were experiencing skills gaps, with small firms particularly challenged

[3] https://chambers.ie/wp-content/uploads/2024/10/29.10.24_Chambers-Ireland_General-Election-Manifesto_Final.pdf

[4] https://enterprise.gov.ie/en/news-and-events/department-news/2025/april/minister-for-enterprise-tourism-and-employment-peter-burke-announces-government-approval-to-accelerate-the-development-of-a-new-whole-of-government-action-plan-on-competitiveness-and-productivity.html

[5] https://chambers.ie/press-releases/smes-struggle-to-find-talent-with-skills-gaps-across-many-operational-areas/

in filling customer-facing roles and medium-sized businesses struggling to hire for management positions.

These challenges remain acutely relevant for businesses in every town and city in the country and are directly stalling SME growth and trade potential. To help mitigate the problems with attraction and retention, skills development strategies will need to be aligned with SME needs and supported by the National Training Fund.

Similarly, emerging technologies are changing the nature of work and SMEs need dedicated support to adapt and upskill employees. Tailored training programmes in areas such as digital skills, AI adoption and sustainable business practices will be essential to futureproof both businesses and workers. Prioritising skills for AI will be critical if we are to have 75% businesses using AI by 2030. Accordingly National Training Fund resources should be directed towards funding future-proofed skills development courses for SMEs.

Simplifying and accelerating employment permit and visa processes is vital to attracting talent. Streamlining the process for hiring skilled workers will help bridge the talent gap. In this context we acknowledge the considerable progress made regarding the new employment permits system, Employment Permits Online, which is planned for 28 April 2025. This new system is a step forward in simplifying the process and making it more efficient for businesses to access talent.[6]

Housing

Housing remains a key priority for the Chamber Network and we are united in acknowledging the impact that short supply is having on our competitiveness. Urgent action is needed to bridge the gap between meeting our targets and the current shortfall in delivery.

In 2019, we stated to the Committee on Housing and Homelessness:

[6] https://epos.enterprise.gov.ie/Template/Welcome

> "The lack of supply of housing has now become possibly the single greatest threat to Ireland's socio-economic development. Young people cannot afford to raise families while paying excessive rent charges, workers cannot find accommodation within reach of their workplace and only the very wealthy can afford home ownership. This lack of housing supply is no longer only a social issue, it is now impacting our overall economic performance. The lack of supply in the private housing market is driving higher wage demands and making it difficult for companies to find accommodation for their employees, particularly hindering FDI. The consumer spending necessary to support the domestic economy is being impacted as households spend a disproportionate amount of their income on housing costs."[7]

Six years on, the same remains true and housing continues to be a significant constraint on businesses in attracting and retaining staff.

Energy

Energy supply is not as secure as it has been in the past, and our energy mix is still overly dependent on fossil fuel sources. The environmental concerns related to how we sourced our energy were not a priority at the creation of our existing industrial policy strategy. Our relatively heavy dependence on fossil fuels to secure our energy will make Ireland a less attractive location for Foreign Direct Investment; particularly as increasing numbers of firms are being obliged to include climate impact metrics in their annual reports by regulatory bodies. For those that are already present in Ireland, many are already being forced to modify their activities as a result of the difficulties in maintaining supply when the national grid is routinely operating at 95%+ capacity.

[7] https://chambers.ie/wp-content/uploads/2019/02/FINAL-Housing-and-Homelessness-Submission-Chambers-Ireland.pdf

As large energy users, the high-value manufacturing sector is typically the first to be curtailed when outages occur, leading them to be disproportionately affected by supply and transmission constraints. This risks damaging our reputation as a reliable location for foreign capital.

Water and Wastewater Treatment

Access to water resources, and waste-water treatment capacity, are increasingly becoming problems for businesses seeking to expand in, or into, Ireland. Supply constraints are limited where businesses may operate from and their ability to increase their range of activities on existing sites. Compounding this issue is the lack of effective water treatment capacity which is often a key reason given for the rejection of planning permissions.

Equally, the lack of progress made regarding infrastructure projects of national importance such as the Greater Dublin Drainage Project[8] and the Water Supply Project Eastern and Midlands Region[9] heavily impacts security of supply and capacity for businesses. This constitutes a direct constraint on companies in terms of planning.

Helping businesses protect their Intellectual Property

One area within our control concerns holding a referendum on the Unified Patent Court (UPC) and helping businesses protect their intellectual property. The Government has the opportunity within its grasp to make Ireland a jurisdiction where businesses can be assured that the unique aspects of their product are better protected and to enable such protection for a greater number of businesses. Accordingly postponing the referendum last year represented a lost opportunity,

[8] https://chambers.ie/wp-content/uploads/2024/06/Submission-by-Chambers-Ireland-regarding-the-Greater-Dublin-Drainage-Project-June-2024.pdf

[9] https://chambers.ie/policy_submision/uisce-eireann-public-consultation-on-the-water-supply-project-eastern-and-midlands-region/

as a 'yes' vote would have reduced the red tape for businesses and lower the costs involved with protecting their IP.[10]

At present there is no single European patent valid in all Member States and instead, individual patents must be held in each country where the patent is to be applied. Consequently patents must be litigated separately in the national courts of each country, which leads to fragmentation in terms of outcomes. It also necessitates an increase in costs for applicants, which is not feasible for SMEs especially. Consequently, only larger firms have the financial resources to absorb the costs required and are hence at a competitive advantage.

Alongside protecting IP, passing the referendum will save businesses money, create more employment and attract further investment. Moreover, there is a strategic opportunity to leverage the fact that Ireland is an English-speaking Member State to attract investment as a hub of the patent industry. Every effort ought to be made to ensure that the public appreciates the value a yes vote will bring to businesses and the Irish economy.

We look forward to progress being made on holding a referendum on the UPC in the future.

Regulatory burden

The regulatory and administrative burden at both EU and domestic level is an increasingly important topic for our members. As an example, the tranche of reporting legislation at EU level – such as the Corporate Sustainability Reporting Directive and Taxonomy– all place a disproportionate burden on businesses. We made the point in our submission[11] that such legislation – if implemented – would mean that smaller firms in value chains would be unfairly affected by reporting requirements, even where the relevant Directive does not specifically make reference to those firms, or where they would not be classified as an in-scope undertaking. While

[10] https://chambers.ie/press-releases/chambers-ireland-responds-to-the-postponement-of-the-unified-patent-court-referendum/

[11] https://enterprise.gov.ie/en/consultations/consultations-files/chambers-ireland-submission-csrd.pdf

efforts have been made to standardise the process, ultimately this impacts the administrative and financial capacities of businesses.

Should legislation like the CSRD be implemented, then we urge the Department to embed the SME Test[12] into legislation in a meaningful way. A core aspect of this will involve publishing regular impact assessments – alongside state supports - which will improve transparency and help ensure that policy decisions do not unduly burden businesses regardless of their size. Furthermore, gold-plating must be avoided in the transposition and implementation of new EU legislation. Instead, the relevant market surveillance authorities and competent authorities should be strengthened while adhering to the principle of mutual recognition when undertaking their duties.

Employment law

In recent years, businesses have faced increased financial pressures and the evolving employment legislation has placed an extra burden on employers. Efforts should be made to alleviate this burden and removing regulatory uncertainty for employers. Consolidating employment legislation is a core request of the Chamber Network as this would also ensure greater clarity for all employers in understanding their obligations.

While we acknowledge the progress made regarding statutory sick leave[13] and auto-enrolment, a comprehensive review ought to be carried out of all employment legislation that has been introduced over the past three years. Furthermore, their cumulative impact on businesses should be considered before implementing a programme of supports and remedial action to assist those businesses and sectors most impacted. This should include increases to the minimum wage, the phase-in of the living wage, increased parental leave and work-life balance rights.

[12] https://chambers.ie/press-releases/chambers-ireland-responds-to-the-governments-sme-support-measures/

[13] https://chambers.ie/press-releases/chambers-ireland-responds-to-new-statutory-sick-pay-measures/

Digitalisation, AI and cybersecurity

The Programme for Government[14] sets out a target of creating 300,000 new jobs by 2030 and in our view this goal is achievable only by enabling SMEs and indigenous enterprises to fully adapt to the digital transition.

In our submission regarding the Artificial Intelligence Strategy last year,[15] we noted that while AI holds great potential to advance competitiveness and efficiencies, businesses will require guidance and avoiding misuse should be a core focus area for the Department.

While the Enterprise Digital Advisory Forum and the focus on the 'AI development ladder framework' referenced in the Strategy refresh[16] are steps in the right direction, more can be done in terms of adoption and awareness. We proposed appointing a national AI Lead whose role would be to support Irish businesses in adopting emerging AI technologies, in addition to a Regulatory Sandbox that can offer businesses a clearer understanding of the regulatory landscape for AI. Another core recommendation focused on the Department creating tailored awareness campaigns about the legal obligations associated with the use of AI tools for businesses - particularly in relation to SMEs – so that such misuse is prevented.

Related to digitalisation is cybersecurity, which is a critical issue for our members. As our economy becomes more digitally integrated with global markets, the threat of cyberattacks and technological interference will increase in parallel. Safeguarding our digital infrastructure,

[14] https://assets.gov.ie/static/documents/programme-for-government-securing-irelands-future.pdf

[15] https://chambers.ie/wp-content/uploads/2024/07/Public-Consultation-on-National-Implementation-of-EU-Harmonised-Rules-on-Artificial-Intelligence-AI-Act-July-2024-final.pdf

[16] https://enterprise.gov.ie/en/publications/publication-files/national-ai-strategy-refresh-2024.pdf

(including financial networks, public services, and data systems) will require ongoing investment and expertise if the objectives of the National Cyber Security Strategy are to be realised.[17]

The multinational companies based here who contribute substantial Corporation Tax and the Income Tax arising on the salaries paid need their data to be secure. Ultimately, the long-term presence of these data-intensive companies headquartered here depends on the capacity of our public sector to respond to cyberattack threats. The value of the data the associated exchequer returns will require commensurate support from the state sector to protect them.

Ultimately Irish security threats and vulnerabilities risk becoming security threats for companies from other countries which could hurt our standing as a safe base for hosting data. With a substantial amount of the world's data housed here, it is paramount that we ensure it remains secure.

Local Enterprise Offices

Chambers across the country seek to work in their local communities to deliver relevant business services as they have done in many cases for centuries. The increased investment in Local Enterprise Offices (LEOs) is hence welcomed by the Chamber Network. In our input to their Policy Statement 2024 to 2030 we recommended that at national and local level LEOs should undertake comprehensive mapping exercises of both stakeholders in their area (public and private sector) and services delivered and required in that area. The objective is to ensure effective collaboration to deliver requirements, most effective use of Government funding to fill gaps identified rather than crowding out services already being effectively delivered.

[17] https://www.gov.ie/en/department-of-the-environment-climate-and-communications/press-releases/national-cyber-security-centre-developing-strategy-to-boost-irelands-cyber-security-industry/

Tourism and Connectivity

Tourism significantly contributes to regional development and many of our members are located in regions that depend substantially on tourism. As an example, in 2023 the island of Ireland welcomed eight million overseas visitors who collectively spent €6.4 billion during their stay. Roughly 300,000 jobs are supported by the sector — 70% of which are located outside Dublin and Belfast - while two-thirds are dependent on overseas tourism.[18]

However much more can be done to maintain and grow this position, and the State must continue to invest in its infrastructure to risk stagnation or regression. Connectivity is key in this context to generate new markets and for tourism. A lack of public transport is a significant constraint in connecting our regions and facilitating North/South engagement. Failure to implement the recommendations of the all-Island Rail Review will ensure we continue to not fulfil our potential.

In addition, the passenger cap at Dublin Airport is not fit for purpose, harms our competitiveness and should be lifted. Planning conditions limits Dublin Airport to a maximum of 32 million passengers per annum (MMPA).[19] There is substantial expected growth expected, and the 32 million figure will soon reach 36 MMPA and 40MMPA by 2035.

Relatedly, the cap on night-time flights at Dublin Airport is harmful to our overall competitiveness. Early morning flights between 6am and 8am are already the most popular slots of the day in Dublin Airport. The advantages of having flexible operations during this peak morning flight window is essential for the economy given Ireland's one-hour time difference behind continental Europe.

[18] https://www.shannonchamber.ie/regions-and-seasons-to-benefit-from-tourism-irelands-increased-tourism-targets-to-2030/

[19] http://dublinairport.com/latest-news/2024/09/04/daa-warns-that-dublin-airport-32-million-passenger-cap-will-be-exceeded-in-2024

Limiting the number of night flights would see businesses losing the benefit of being able to return employees to Ireland in the same day as they travelled to another European country.[20] This risks reducing the number of business travellers considerably. Dublin Airport has an important role in connecting Ireland to the global economy and as a long-term and nationally central infrastructure business, it must be able to continue to deliver what is required to maintain and develop Ireland's connectivity in times of low demand, whilst ensuring it has the appropriate infrastructure and operating environment to both promote and accommodate higher volumes of traffic that support tourism, trade and the broader economy.

Digitalisation is an additional factor. According to Tourism Ireland, many tourists may have spent as long as five hours in 'research mode' before making their decision, visiting up to 277 web pages before choosing Ireland as their holiday destination. This level of digital engagement underlines the importance of robust online marketing strategies and a strong digital presence in attracting tourists.

[20] https://chambers.ie/wp-content/uploads/2025/03/Chambers-Ireland-submission-ABP-314485-22-Dec-2024.docx