Chambers Ireland
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National Strategic Risk Assessment 2026

Submission by Chambers Ireland

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About Chambers Ireland

Chambers Ireland is an all-island business organisation with a unique geographical reach. Our 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.

Questions

Are these existing strategic risks, as identified in 2024, still the most relevant risks for Ireland in 2026? Please provide your comments if you think any of the existing strategic risks should i) stay the same, ii) be amended, or iii) be removed.

The existing categories and risks remain relevant and none should be removed. The greater task now is understanding how those risks have evolved, in addition to the channels through which they may affect and reinforce one another.

Infrastructure

Infrastructure deficits remain a strategic risk because they constrain the economy before a shock occurs. Our ability to respond efficiently instead of reacting to crises will only derive from a proactive approach to capital investment in our core infrastructure and to remove the bottlenecks that exist in the planning system, notwithstanding recent reforms. This will require long-term planning and is even more important given projected population, which will increase demand for greater and improved public services. Filling the infrastructural gaps will require a relentless focus on delivery to make up for the historic lack of investment following the post-crash era, while ensuring that future demand is anticipated adequately.

Available data illustrate the scale of the challenge and point to structural deficiencies. Notably, the State's overall infrastructure stock is estimated to be about 25% below the average for a high-income European country, with identifiable deficits across areas including housing, transport and electricity and extending to other areas such as health. Ireland is also placed 44th out of 69

economies for basic infrastructure and our transport capital stock is 41% below the high-income European average.[1]

The risk deriving from these deficiencies is intrinsically cumulative and infrastructure becomes a strategic risk when spatial planning and capital investment fall out of alignment. Limited transport capacity raises the costs associated with commuting and logistics, while deficiencies in water, wastewater treatment and electricity networks restrict where housing can be built and businesses can locate. Furthermore, weak regional and international connectivity also reduces the economy's ability to adjust when trade or employment patterns change.

This makes alignment between the revised National Planning Framework and the updated National Development Plan strategically important. Population and employment growth cannot be sustained where land is identified for development without timely access to enabling infrastructure, while capital investment will have less impact if it is not directed towards the locations intended to accommodate growth.

Infrastructure deficits should therefore remain a distinct risk and the assessment should acknowledge the compounding impacts that over time increase, where planned growth and the provision of infrastructure are not aligned geographically. Otherwise shortages in one network will continue to delay development and constrain activity across several others.

Competitiveness

Competitiveness is increasingly a strategic risk for both Ireland and the wider European Union. The Draghi Report identified slowing productivity, high energy costs and intensifying global competition as structural pressures on Europe's economic position, while the Letta Report highlighted persistent fragmentation within the Single Market, gold-plating by Member States,

[1] https://www.competitiveness.ie/latest-news/bulletin-26-1-public-investment-in-transport-infrastructure-a-competitiveness-and-productivity-perspective/; and https://www.fiscalcouncil.ie/wp-content/uploads/2024/10/Irelands-Infrastructure-Demands.pdf.

and the need to reduce barriers that prevent European firms from scaling. Indeed, 60% of the barriers businesses encounter within the Single Market are of a type already identified 20 years ago.[2] Implementing these recommendations is central to mitigating the risks arising from these barriers and preventing a further weakening of our ability to compete internationally.

At the domestic level, these wider competitiveness challenges are compounded by pressures within our own control, particularly the cost of doing business and constraints on infrastructure delivery. As conveyed throughout this submission, it is the cumulative effect of these pressures, rather than any one factor in isolation, that poses the greater risk to Ireland's competitive position. Addressing these domestic barriers requires the full implementation of the recommendations of the Cost of Business Advisory Forum[3] and the Accelerating Infrastructure Taskforce[4].

Geopolitical Insecurity, Protectionism, Hybrid Threats and Economic Security

Successive geopolitical events have occurred in the past decade and the State has navigated these somewhat successfully. Nonetheless, the impacts on businesses have been cumulative and wide-ranging. Geopolitical instability has contributed to sustained energy price volatility and periods of materially higher costs for businesses[5]. Other geopolitical events have contributed to high oil prices which have an impact not only in terms of the supply of fuel, but also in terms of the many products that are manufactured and produced using oil as a core component.

[2] https://commission.europa.eu/topics/competitiveness/draghi-report_en

[3] https://enterprise.gov.ie/en/publications/publication-files/cost-of-business-advisory-forum-final-report.pdf

[4] https://assets.gov.ie/static/documents/a1ef9433/Accelerating_Infrastructure_Report_and_Action_Plan.pdf

[5] See further the section on Energy Security.

Other economic impacts have been transmitted through trade and investment.[6] This has further exposed the State to the impacts of protectionist measures or disruption in export destinations that we overwhelmingly depend on. The most recent example is the impact of US tariffs and the resulting uncertainty which chilled investment for a period in 2025.[7] This directly affects output and confidence quickly, even where the State itself is not directly involved in the underlying dispute.

In addition, events such as Brexit and international sanctions on trade have highlighted the vulnerability of established supply chains and trading routes. This causes an acute problem for businesses that may on particular supply chains that are then affected. Their ability to respond to such disruption depends on their capacity to diversify supply chains and secure alternative suppliers at short notice.

In terms of hybrid threats, their significance lies in the deliberate combination of a range of items they involve – such as cyber interference and information manipulation. This is consistent with the National Cyber Risk Assessment 2025[8] which identified the risk of cascading effects across

[6] In the context of trade, this is highlighted by the fact that some destinations account for disproportionate trade flows. For example in May 2026, 28.6% of goods exports went to the United States, while the Netherlands and Great Britain accounted for a further 10.7% and 9.8% respectively: https://www.cso.ie/en/releasesandpublications/ep/p-gei/goodsexportsandimportsmay2026/keyfindings/. The monthly figures are provisional and volatile, but they illustrate the importance of a relatively small number of external markets to trade in goods.

[7] Trade policy uncertainty reached historic highs following the 2025 tariff announcements and led firms to adopt a "wait-and-see" approach that resulted in postponed investment and hiring decisions. This was highlighted by the European Central Bank https://www.ecb.europa.eu/press/economic-bulletin/focus/2026/html/ecb.ebbox202508_02~9dba551ce0.en.html, the International Chamber of Commerce: https://iccwbo.org/news-publications/report/the-cost-of-policy-uncertainty-on-investment/; and by the Eurochambres Chief Economists' Working Group: https://chambers.ie/press-releases/chambers-ireland-launch-trade-report-showing-how-tariffs-trade-wars-protectionism-hit-irish-and-european-growth/.

[8] https://assets.gov.ie/static/documents/46bd0747/NCSC-2025_National_Cyber_Risk_Assessment.pdf, pg 20.

all areas. We agree with this stipulation and support retaining hybrid threats as a geopolitical risk while recognising that the effects may materialise through technological and economic systems. Lessons learned from the HSE cyber-attack in recent years[9] should help inform the vigilance with which we assess and respond to threats capable of disrupting essential services and to ensure the State can continue to operate and recover quickly in the event of disruption.

The risk of disruption to normal business activity also needs to be recognised. As a result of the fuel protests earlier this year, road blockages and restrictions on access affected the ability of staff to reach workplaces, customers to access businesses while numerous companies struggled to maintain normal operations. As a result, members reported lost revenue, reduced productivity and additional financial and administrative costs. The impact was particularly acute for businesses dependent on physical access, travel and the movement of staff. This highlights how even relatively short periods of domestic disruption can have significant consequences for business activity and constitute a further strain on their resources.

Furthermore the risk assessment should also be broadened to recognise the relationship between national security and economic security. Our economy depends on the uninterrupted operation of energy networks, telecommunications, subsea cables, ports, airports, payment systems, cloud services and other critical infrastructure. Disruption to any of these systems, whether caused by hostile activity, cyberattack, sabotage, terrorism, accident or extreme weather, could interrupt business activity and essential public services simultaneously.

As an island economy and a significant location for internationally traded services and digital infrastructure, the State has exposures that extend beyond conventional cybersecurity. Maritime and subsea infrastructure, energy interconnection, communications networks and access to international trade routes are strategic economic assets of critical importance to the domestic economy. Their protection, redundancy and capacity for rapid restoration should be addressed explicitly in this Assessment.

[9] https://www2.hse.ie/services/cyber-attack/what-happened/.

Government should also recognise that much of the infrastructure concerned is operated by, or depends upon, private businesses. Effective preparedness therefore requires structured information sharing and clear crisis-coordination arrangements between Government, the Defence Forces, security agencies, infrastructure operators and the wider business community. Particular consideration should be given to SMEs, which may lack the resources to maintain extensive contingency arrangements independently.

This does not require the NSRA to prescribe a particular defence policy; it instead requires an objective assessment of whether the State possesses the capabilities needed to sustain essential economic activity in a more contested security environment.

Fiscal Sustainability and Ireland's Enterprise Mix

It has been well-documented that the concentration of corporation tax receipts arising from a small number of companies is a significant risk for the State. Excluding receipts linked to the 2024 Court of Justice ruling, net corporation tax receipts were €32.9 billion in 2025. The ten largest corporate taxpayers accounted for 56% of the total, while foreign-owned multinationals paid 87%.[10]

The FDI model which has seen the State accrue such receipts has also helped bring enormous economic benefits in regions that historically experienced sustained outward migration as a consequence of limited local employment and economic opportunities[11]. However, while these revenues have strengthened the State's fiscal position, the long-term objective should be to develop a broader and more resilient revenue base. Greater diversification would reduce

[10] https://www.revenue.ie/en/corporate/documents/research/ct-analysis-2026.pdf.

[11] This is evidenced when viewed against Ireland's experience during the 1980s, when unemployment exceeded 17% and large-scale emigration returned, with net outward migration of more than 134,000 people between 1986 and 1991: https://www.cso.ie/en/releasesandpublications/ep/p-sdii/sustainabledevelopmentindicatorsireland2017/soc/; and https://myireland.ie/emigration/.

exposure to concentrated risks and improve the sustainability of public finances in the event of future economic disruption.

Small and micro enterprises account for more than 99% of businesses[12] in Ireland, yet very few indigenous firms progress to significant scale. The strategic objective should be to increase the number of domestic companies that are capable of scaling, exporting and competing effectively in international markets.

Creating the conditions for doing so is intrinsically linked to the ability of the State to deliver its infrastructure, as we have outlined elsewhere in our submission. Furthermore, creating an environment that rewards entrepreneurship and expansion, with greater access to growth capital would help facilitate a more enterprise-friendly environment that will allow those companies to compete internationally.

In addition, clusters[13] built around established multinational activity can play an important role. Greater participation by indigenous firms in these value chains would help embed more of the economic benefits of FDI within the domestic economy while accelerating the growth of Irish-owned companies through access to innovation networks and expertise, adding to the considerable international markets they have access to. Such access is also often critical in turning research into commercial value and given the host of established sectors[14] in the State, there is ample opportunity to utilise these and build the scale necessary to compete in higher-value markets.

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[12] https://www.cso.ie/en/releasesandpublications/ep/p-biibd/businessinireland2025-businessdemography/.

[13] The success of the Cambridge technology cluster demonstrates how dense networks between multinational firms, universities, investors and indigenous companies can support the development of high-growth domestic businesses: https://cambridgeahead.co.uk/cambridge-cluster-insights/; while Medicon Valley in continental Europe is another example of how clustering can support growth: https://mva.org/.

[14] Such as life sciences, green energy, or MedTech.

Climate Change

While the impacts of climate change may feel widely acknowledged, the pace of implementation required to meet our climate targets and build resilience into our energy system has yet to match the urgency of the challenge. This inaction has left the State increasingly exposed to avoidable environmental, economic and infrastructure-related risks.

In quantitative terms, the scale of the challenge is significant. The Environmental Protection Agency has identified 115 risks arising from projected changes in climate conditions, 43 of which are classed as urgent. These range from extreme wind to communications and energy-distribution infrastructure, and from extreme wind, coastal erosion and coastal flooding to buildings and transport infrastructure.[15] These are all risks and threats to the State that carry significant environmental and economic cost.

In terms of infrastructure, electrification will be a key driver of the green transition, as will delivering on our offshore and onshore wind ambitions and advancing the uptake of other renewable technologies.

The high-level measures[16] we consider the most important are:

1. **Providing multiannual funding for infrastructure and decarbonisation projects**, to enable agencies, local authorities and relevant stakeholders to plan and invest over longer time horizons.
2. **Accelerating renewable energy and grid infrastructure delivery**, while recognising that renewable generation, transmission, distribution, storage and demand management must be developed in parallel

[15] https://www.epa.ie/news-releases/news-releases-2025/major-new-epa-report-assesses-irelands-vulnerability-to-climate-change-impacts.php.

[16] As outlined in our submission on the Update to the Climate Action Plan: https://chambers.ie/wp-content/uploads/2026/08/Update-to-the-Climate-Action-Plan-%E2%80%93-Climate-Priorities-Final-August-2026.pdf.

3. **Ensuring planning and consenting reforms translate into faster project delivery in practice**, with more predictable timelines for nationally significant infrastructure, renewable energy and climate-related projects.
4. **Expanding energy efficiency measures for businesses, particularly for SMEs**, through accessible advisory, finance and grant supports.
5. **Supporting practical decarbonisation pathways across sectors**, including electrification, renewable gases, storage, demand response and other technologies where appropriate.
6. **Improving the delivery of sustainable transport alternatives**, particularly in locations where public transport and active travel options remain insufficient.

Deficiencies in planning still apply despite reforms to the system[17] and they continue to hold back the delivery of renewable projects. This continually exacerbates uncertainty to the degree that it continues to lock private sector investment out of projects by increasing their associated costs significantly over time. Increasing the capacity of the system itself will be critical to processing appeals and judicial reviews without undue delay and reversing this trend.

Energy Security

Energy security and affordability are a perennial concern for our members. For the purposes of this assessment, the immediate exposure is the State's dependence on imported fuels and on a system undergoing rapid change. If the State continues to leave a core component of its energy supply subject to developments beyond its control, then this exposure and dependency will persist and it will remain a price taker. As demand continues to grow, any failure to address these issues risks widening the gap between the energy required to support economic activity and the capacity available to deliver it.

[17] The Planning and Development (Amendment) Act 2025 to accelerate residential construction and maximize existing planning permissions https://www.irishstatutebook.ie/eli/2025/act/9/enacted/en/html.

Currently, fossil fuels supply the majority of the State's primary energy requirement, with a substantial amount being imported. Energy import dependency stands at approximately 80%; the fourth-highest rate in the European Union and well above the EU average of 57%[18]. This leaves the economy exposed to volatile energy prices, as developments beyond the State's control are reflected in domestic energy costs and operating expenses for businesses.

Reducing this exposure will depend on the pace at which alternative, renewable sources of generation, storage, and supporting infrastructure can be delivered. Wind, solar, storage, hydrogen, biomethane and other technologies will reduce dependence on any single source of generation and accordingly decrease the concentration of risk within the energy system.

Emerging Technologies and Artificial Intelligence (AI)

Artificial intelligence warrants continued inclusion because adoption has moved quickly from an emerging possibility to a material feature of everyday business activity.[19] The speed and unevenness of AI adoption as it continues will widen productivity differences and alter demand for particular skills[20]. In addition, any increase in use may unduly increase dependence on a small number of technology providers, which will create further concentration risk where disruptions or service outages affecting a small number of firms have wider impacts across the economy.

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[18] https://ec.europa.eu/eurostat/web/products-eurostat-news/w/wdn-20260318-1; and https://www.cso.ie/en/releasesandpublications/ep/p-biiceru/businessinireland2025circulareconomyandresourceuse/energyuseandimportdependency/.

[19] The proportion of businesses using AI increased from 8% in 2023 to 20% in 2025. Adoption was uneven with 58% of large enterprises using AI, compared with 29% of medium-sized enterprises and 17% of small enterprises: https://www.cso.ie/en/releasesandpublications/ep/p-biistit/businessinireland2025-sustainabilitythroughinnovationandtechnology/digitalsustainabilityandartificialintelligenceadoption/

[20] We accordingly welcomed the allocation in Budget 2027 of €150 million from the National Training Fund to strengthen AI readiness: https://chambers.ie/press-releases/budget-2027-provides-welcome-support-but-further-action-is-needed-on-business-costs-chambers-ireland/.

AI also has the potential to increase both the scale and sophistication of fraud and cyber-enabled crime by greatly reducing the cost of producing convincing impersonations or automating social engineering[21]. This helps to enable attacks to be deployed against a number of targets simultaneously and at scale. These issues extend beyond conventional cybersecurity and constitute aa separate business exposure. This is a significant risk for SMEs, which may not have the internal resources (including financial resources), technical expertise or systems necessary to identify and respond to increasingly sophisticated threats.

Workforce

Workforce issues merit explicit treatment because demographic change will alter both labour supply and the demand for services.

A strategic issue is the economy's ability to replace retiring workers and adjust skills as technologies change. Long-term projections indicate that the population may rise by close to one million, or 18%,[22] over the next three decades, while the number of old-age dependants doubles. Workforce risk is therefore wider than shortages in individual occupations and concerns whether a range of aspects - including labour-force participation, migration, education and lifelong learning – considered together can sustain businesses and essential services through a period of population growth and ageing.

[21] As an example, In 2024, an employee of engineering consultancy Arup transferred approximately HK$200 million (€24-25 million) after participating in a video conference that appeared to include the company's Chief Financial Officer and several colleagues. The participants were in fact AI-generated deepfakes using synthetic video and audio. The incident demonstrated how AI can be used to scale traditional business email compromise and fraud techniques beyond written communications and into real-time interactions: https://prmia.org/common/Uploaded%20files/eCyber/PRMIA%20Case%20study%20-%20ARUP.pdf

[22] https://enterprise.gov.ie/en/publications/publication-files/skills-needs-for-ireland-in-the-long-term.pdf.

Are there other significant risks that you feel should be included under the categories listed below?

- **Geopolitical**
- **Economic**
- **Societal**
- **Environmental**
- **Technological**

The categories remain sound, but their content must be updated to reflect the convergence of economic, technological, infrastructure and security risks. Although the 2024 report acknowledges interlinkages, the substantive sections are necessarily organised by risk. There are ways in which the listed risks can reinforce one another and the next assessment should give greater attention to the pathways through which existing risks combine. As an example, a significant geopolitical shock may affect trade along supply chains and have a negative impact on energy costs, while extreme weather events will interrupt several infrastructure networks[23]. This shows how interconnected each aspect is and the fact that many risks exist on a spectrum rather than a standalone category.

For this reason, institutional capacity should be treated in the same way and should not become a new category. Essential systems that operate without sufficient flexibility are less able to absorb an unexpected change in demand or a simultaneous disruption.

This in turn clarifies the role of horizon scanning. The purpose should be to consider whether factors such as changing technology or increasing environmental pressures have created a new route through which an existing risk could reach the State or increase the effect of another risk.

[23] The most significant example is storm Eowyn in early 2025.