

Press Release

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## NCC highlights critical competitiveness issues for exporting sectors

Future economic growth and job creation will not be driven by the construction and retail sectors as in the past. Generating export-led growth is the only sustainable strategy to secure long term growth and prosperity. It is therefore critical that we understand the specific needs of our exporting sectors and enable them to compete successfully in international markets.

“While overall Ireland’s export performance is holding up relatively well in spite of a very challenging global trading environment, this is primarily due to strong growth in two sectors, medical and pharmaceutical products and chemicals. Many other exporting sectors are facing significant challenges, particularly traditional manufacturing sectors such as food and computer equipment. Urgent action is required to address the critical competitiveness issues for individual exporting sectors,” said National Competitiveness Council (NCC) chairman Dr Don Thornhill today.

The NCC today published its report, *Driving Export Growth: Statement on Sectoral Competitiveness*, which identifies the key competitiveness issues facing Ireland’s main existing and emerging export sectors and the sector specific policy actions required to address them.

“It is clear that despite the challenging conditions which they currently face, there is a bright future for our exporters provided employers, employees, policymakers and other stakeholders respond quickly and effectively to develop a more competitive operating environment for firms. It is hoped that this report, by identifying sector specific actions to promote key exporting sectors, will help provide an impetus for action,” said Dr Thornhill.

The NCC study reviews eight sectors with significant opportunities for future growth and highlights the sector specific challenges which need to be addressed if we are to exploit the significant growth opportunities that exist. These include:

- the provision of specialised courses for particular sectors such as ICT, financial services and environmental goods and services;

- enhancing the clinical trials process which is key to increasing the size of the pharmaceutical and medical technologies sectors; in particular we need to consolidate and streamline approval processes for new products and technologies;
- ensuring that various Government departments and agencies work together to implement coherent strategies for their sectors (e.g. food, tourism);
- upgrading the road infrastructure in and to the west which is critical for the medical technologies sector to enable easier access to international markets;
- the strategic and timely implementation of impending EU environmental legislation to develop markets for indigenous green companies and create first mover advantage for Irish companies; and
- coordinating public spending on tourism related investment across Government departments and agencies to ensure that the attractiveness of Ireland's international tourism profile and offering is enhanced.

As well as the unique set of challenges facing individual sectors, a number of issues are common across many or all sectors; these include improving cost competitiveness and growing productivity and sustaining investment in the productive sectors of the economy. These national competitiveness issues will be discussed in detail in the NCC's forthcoming *Annual Competitiveness Report 2009, Volume 2: Ireland's Competitiveness Challenge*.

**Note to Editors:**

- The eight sectors included in the NCC study are:
  - Food and Drink
  - Medical technologies
  - Chemicals and Pharmaceuticals
  - ICT Manufacturing and Services
  - International Financial Services
  - Tourism
  - Environmental Goods and Services
  - Other Internationally Traded Services
  
- These eight sectors account for approximately 80 percent of total Irish exports of goods and services in 2008.