Ibec

Europe & Global Focus

Issue 22 | Spring 2023

Ibec
For Irish Business

Views on the single market at thirty

Latest on EU Green Deal Industrial Plan

EU-US cooperation and the importance of FTAs

Ibec For Peace & Prosperity campaign

In this issue…

From the Editor

Pat Ivory
Director of EU & International Affairs
Phone: **+353 1 605 15 71**
Email: **pat.ivory@ibec.ie**

Single market prospects amid international adversity

As we publish the spring 2023 edition of Ibec Europe and Global Focus, the European Council has reiterated its condemnation of Russia's war of aggression against Ukraine, which is approaching a full year and has brought immense suffering and destruction on Ukraine and its people. In the face of the new geopolitical reality, Ibec welcomes the EU intention to act decisively to ensure its long-term competitiveness, prosperity and role on the global stage. In this edition, we examine the EU's policy response to the ongoing international energy, economic, and geopolitical challenges. We analyse the proposed EU response to the US Inflation Reduction Act (IRA), including the European Commission's Green Deal Industrial Plan. A response to Europe's competitiveness challenges and support to bolster efforts to meet our climate objectives are welcome, however broader efforts will be needed to improve the overall investment and business conditions in Europe.

The European Council stated its commitment to strengthen strategic sovereignty and make the EU's economic, industrial and technology base fit for the green and digital transitions. In doing so it is vital that the EU and its member states recognise the importance of remaining open to trade and investment. In this latter regard the EU-US Trade and Technology Council, notwithstanding the challenges of the US IRA, offers real potential for closer collaboration with a key economic and business partner. Existing and new EU Free Trade Agreements (FTAs) can also play an important role in helping companies face geopolitical challenges and diversify their supply chains.

Perhaps the greatest example of what can be achieved from being open to trade and investment is the European single market, which celebrates its 30-year anniversary. In establishing the single market in 1993 the EU made huge steps forward in removing barriers to goods, services, labour and capital. It transformed the EU into one of the most powerful trade blocs in the world and helped establish the EU as a global economic player, with much strengthened negotiating power. Despite these undeniable achievements, the single market remains a work in progress and the 30-year anniversary provides an opportunity to determine its course for the future. Much remains to be done in the areas of services and capital, including providing greater access to business finance. On digital, the EU must shape and realise shared ambition on digital leadership by safeguarding trust, investment and innovation.

To further explore the possibilities, we set out the views of Irish business and profile perspectives on the single market at 30 years from across business and politics, including views from Anna Cavazzini MEP, Chair of the European Parliament's Internal Market and Consumer Protection Committee, and Ibec's Sectors, including Financial Services Ireland, Food Drink Ireland, and the Irish Medtech Association. We also profile new Minister of State for European Affairs and Defence, Peter Burke TD.

Finally, we mark the 25-year anniversary of the Belfast / Good Friday Agreement and its importance for peace and prosperity.

"…broader efforts will be needed to improve the overall investment and business conditions in Europe. An integral aspect of this must be realising the untapped potential of the EU single market."

The 30-year anniversary of the EU single market

A view from Ibec

This year marks the 30-year anniversary of the single market. The EU established its single market on 1 January 1993 by removing barriers to the movement of goods, services, labour, and capital. This single market has been central to Ireland's economic success and helped transform Ireland from a small, predominantly agricultural economy to a highly competitive global hub, allowing Irish companies access to a market of more than 450 million people and over 20 million businesses. The single market has led to unprecedented market integration between member states' economies, and ever closer integration of European citizens, with the EU freedom of movement allowing people, and businesses, to find opportunities across the bloc. It transformed the EU into one of the most powerful trade blocs in the world, establishing the EU's economic and political power at global level and reinforcing the EU's negotiating power with external partners. Lastly, the single market has undoubtedly played an invaluable role in fostering peace on the island of Ireland, enabling the removal of customs checks on the island of Ireland, and therefore the border.

Yet despite these undeniable achievements, the single market remains a work in progress, and the 30-year anniversary provides the EU with a fresh impetus to determine its course for the future

Yet despite these undeniable achievements, the single market remains a work in progress, and the 30-year anniversary provides the EU with a fresh impetus to determine its course for the future.

Overall, the EU has been successful in integrating the goods market, however, much work remains to be done when it comes to the single market for services in particular, but also for capital. On digital, the EU must shape and realise shared ambitions on digital leadership, by safeguarding trust, investment, and innovation. The EU should seek to revitalise the Capital Markets Union agenda to allow the European economy to benefit from greater access to business finance. Before reimagining the single market of the future, the EU needs to ensure proper implementation, enforcement, and compliance with existing rules. A truly harmonised market, without barriers, is our best driver for growth and competitiveness.

Much of the current discussion focusses on the single market as our greatest tool for ensuring EU resilience, and for reducing dependencies on third countries. The need for a stable and strong single market has taken on a new sense of urgency following a series of recent crises, including the Covid-19 pandemic and the Russian invasion of Ukraine. Furthermore, the EU is trying to manoeuvre its course amid recent global movement towards renationalisation and protectionism. Preserving and building on the single market is necessary to survive.

Against this backdrop, EU policymakers seek to set the course for the single market of the future. In early January, the European Parliament adopted a [resolution on the 30-year anniversary of the single market](), outlining challenges and recommendations for the way forward. MEPs call for renewed commitment and political will from member states and EU institutions, as well as a specific action plan for 2030 and beyond, in order to further strengthen and develop the single market, especially in areas such as services, energy, telecommunications and the digital single market. This sets the scene for the European Commission communication, expected to be published mid-February, which will identify future priorities.

Preserving the integrity and building on strength of the single market ensures a stronger Europe, and in turn, a stronger Ireland.

As we await the Commission communication, Commissioners have been reflecting on the anniversary and diverging narratives are emerging. Thierry Breton, European Commissioner for Internal Market, has been focussing on the single market as a force of external projection. At a conference in December, Breton noted it was the single market that gave Europe the muscle to redraw the balance of power between the EU and the United States when the Biden administration blocked vaccine supply chains in the name of the 'America First' principle, and he has made similar comments in the context of the US Inflation Reduction Act. Breton highlighted how the critical mass of the single market allows Europe to compete across the globe, set global standards, and allows Europe to project itself onto the global stage.

On the other hand, Executive Vice-President Margrethe Vestager, Commissioner for Competition, has been advising caution as the EU responds to the US Act with its own Green Deal Industrial Plan. Vestager has been warning that some aspects of the EU plan, in particular adjustments to the state aid system, may have unintended consequences, distorting the single market. In January, at a ceremony marking the anniversary, Vestager cautioned that the single market cannot be taken for granted, stressing that there cannot be any European competitiveness in the long term without a fully functioning internal market. Vestager also acknowledged difficulties to the smooth functioning of the market, stating that "We need to take upon these issues more seriously and not just continue to make more rules. It does not mean that we should continue piling up burdensome requirements. We need to provide a stable and manageable regulatory framework both for our companies and administration." This demonstrates that even within the EU, the broad single market agenda can lead to diverging views as to what path the single market of the future should take.

Ibec will continue to engage with EU policymakers to ensure Irish business priorities are represented as the EU develops its narrative for the single market in today's geopolitical climate. The 30-year anniversary provides an opportunity to highlight its central role to our economy. Preserving the integrity and building on the strength of the single market ensures a stronger Europe, and in turn, a stronger Ireland.

For further information, see our *[Stronger Europe, Stronger Ireland]()* campaign.

A view from the European Parliament:

Anna Cavazzini, Member of the European Parliament (MEP) and Chair of the Internal Market and Consumer Protection Committee (IMCO).

Ireland has a special connection to the EU single market, which this year turns 30. Ireland has both profited from market integration, and it has also had to deal with the consequences when a neighbour leaves. Today, the Covid-19 pandemic, interrupted supply chains and the terrible war against Ukraine show the need for cooperation more than ever. The global economic challenges would be too huge for member states to face alone.

We owe the single market much: An estimated 56 million jobs, roughly 70% of exports of small and medium-sized enterprises and trade in goods, which alone accounts for around 25% of the EU GDP. It is common to live, love, study and work across borders. To 'roam like at home' is one of the most tangible aspects of EU single market legislation for consumers. Or the common charger for all our smartphones, laptops and cameras, that will put an end to the cable clutter in our drawers. No matter if you are in Ireland, Poland or Italy you can rely on the same consumer protection standards that apply for all 450 million consumers in the EU - online and offline.

However, in the last 30 years we have also seen that not everyone has benefited from the single market. Wealth is still unequally distributed across regions and between individuals. We have to make sure the single market turns into a life jacket for businesses, consumers and our planet, especially in times of multiple crises. We are already on our way to turn it into an instrument that helps fight the climate crisis and implements our European values. Regulation such as eco-design for sustainable products give businesses guidance in the green transition, while the digital services and digital markets act establish a democratic online world.

Therefore, we should look at the internal market's successes and achievements beyond GDP, beyond price and beyond numbers. We need to look at its social and environmental impacts, as well as the quality of life it is able to deliver to citizens. With high social and environmental standards, we can ensure Europe's future competitiveness. Businesses and industry are increasingly implementing sustainable business models. We need to support them by giving clear guidance. And we need to work together with like-minded partners to boost the green transformation.

Anna Cavazzini MEP

(Greens/EFA, Germany):

Anna Cavazzini was elected to the European Parliament in 2019 as a member of Bündnis 90/Die Grünen. Since November 2020, she has been Chair of the IMCO Committee, which is responsible for the Parliament's legislative contribution to and oversight of EU rules on the single market to bring benefits for businesses and consumers. She is a member of the Delegation to the EU-UK Parliamentary Partnership Assembly and is a substitute member of the Committee on International Trade. Anna Cavazzini was the lead Rapporteur on the European Parliament resolution on the 30-year anniversary of the Single Market, which was approved in January 2023. In advance, Ibec's EU and International Affairs team met with Cavazzini as part of a European Parliament delegation to Ireland in December 2022.

Swedish Presidency of the Council of the EU

On 1 January, Sweden took over the rotating presidency of the Council of the EU. For the next six months, the Swedish presidency will seek to progress around 350 of the Union's files, until 1 July, when Spain will take over. Sweden identified four priorities for work under its presidency: security, competitiveness, green and energy transitions, democratic values and the rule of law.

Sweden identified four priorities for work under its presidency: security, competitiveness, green and energy transitions, democratic values and the rule of law.

Sweden takes on the role at a time when Europe is facing many challenges, including Russia's invasion of Ukraine. Against this backdrop, security is identified as a top priority. Strong political, military, humanitarian and economic support to Ukraine remains a key focus, as well as promoting closer ties between Ukraine and the EU.

The Presidency comes at a critical juncture as Europe grapples with a response to the US Inflation Reduction Act. The pro-free trade Swedes will have the task of finding consensus among member states on potential European measures, such as the proposed EU Green Deal Industrial Plan for the Net-Zero Age. Sweden has indicated openness to temporary measures but advised caution, encouraging proper assessment of the US legislation before action is taken.

Ensuring Europe's long-term competitiveness and increasing trade opportunities are at the core of Sweden's priorities. The 30-year anniversary of the European single market is a fitting opportunity to reflect, while considering a long-term strategy to boost EU competitiveness and ensure favourable conditions for European industry. Sweden is uncompromising in its view that the strength of the single market and our openness to the rest of the world are fundamental to the EU's competitiveness. Sweden will attempt to progress stalled trade discussions, including finalising the Mercosur agreement, pushing for EU countries to ratify existing agreements with New Zealand and revamped deals with Chile and Mexico and restarting talks with India, Indonesia and Australia.

The green transition and energy remain key priorities and Sweden will continue efforts to tackle high and volatile energy prices while addressing long-term energy market reform. The Presidency programme focuses on the Fit for 55 package, independence from fossil fuels, investment for innovative industries to progress towards a fossil-free future, the climate crisis, and biodiversity loss.

Upholding the principle of the rule of law and fundamental rights is the last priority identified. At a time when Europe faces many external threats and challenges, internal cohesion and unity on this front is crucial.

For more information, see the Presidency website here.

sweden
2023.eu

EU Summits

From left to right: Ursula Von Der Leyen, President of the European Commission; Volodymyr Zelenskyy, President of Ukraine, Charles Michel, President of the European Council.

On 3 February Charles Michel, President of the European Council, and Ursula von der Leyen, President of the European Commission, met with Volodymyr Zelenskyy, President of Ukraine, in Kyiv for a summit between the EU and Ukraine, the first since the invasion. The leaders discussed the EU accession process and Ukraine's European path, the EU's response to Russia's war of aggression against Ukraine and cooperation on issues of reconstruction, relief and in the areas of energy and connectivity. The leaders issued this joint statement.

Zelenskyy then made his first visit to Brussels since the invasion, joining heads of states convening in Brussels for a **special European Council** on 9 February. At the Council, topics on the agenda included Ukraine, the EU response to the US Inflation Reduction Act (IRA) and migration. On Ukraine, leaders once again condemned Russian aggression and reiterated their support. President von der Leyen also announced work on a fresh sanctions package.

Also on the agenda was the EU response to the US IRA; the Green Deal Industrial Plan for the Net-Zero Age, unveiled by the Commission on 1 February. However, no substantial progress was made, as leaders focussed on the subjects of Ukraine and migration. The Commission will continue its work and leaders will discuss the Green Deal Industrial Plan at the European Council meeting next month.

The EU Green Industrial Plan aims to enhance the competitiveness of Europe's net-zero industry, support the fast transition to climate neutrality and is central to achieving the Green Deal goal of making Europe the first climate-neutral continent by 2050. The Green Deal Industrial Plan is bolstered by four pillars:

- A simplified regulatory environment to support deployment of net-zero manufacturing.
- Faster access to funding.
- Enhancing skills for the green transition.
- Open trade for resilient supply chains, based on cooperation with partners to ensure diversified and reliable supplies and fair international competition.

The Plan has led to debate between member states with France and Germany strongly supporting, keen to relax state aid rules to support homegrown industries. However, other member states, including Ireland, have urged caution and expressed concern that loosening state aid rules will distort the single market and lead to unfair competition across the bloc.

Conclusions from the meeting show that no new EU funding instruments will be created, with emphasis placed on "available funding and existing financial instruments". Leaders called for a revision of state aid rules that is "targeted, temporary and proportionate support to be deployed speedily, including via tax credits, in those sectors that are strategic for the green transition and are adversely impacted by foreign subsidies or high energy prices." No consensus was reached on common funding and the Commission's proposed European Sovereignty Fund.

In advance of the Council, BusinessEurope published a letter, which Ibec contributed to, stressing that European leaders urgently need to improve investment conditions in the EU to strengthen the competitiveness of European companies, deliver the net-zero transition and give a credible answer to the US IRA.

In terms of the overall EU regulatory environment, leaders called for simple and clear framework conditions for investment in the EU and fast-tracking of administrative procedures. Conclusions also note the importance of diversifying sourcing and ensuring access to critical raw materials, modernising public procurement rules, and the reform of the EU electricity market as means to improve the EU's competitiveness. Pursuing an ambitious, robust, open and sustainable trade agenda and supporting a multilateral rules-based system is also highlighted as key to strengthening Europe's prosperity.

The next European Council will take place 23-24 March.

EU-US update

The EU-US Trade and Technology Council

On 5 December 2022, the third EU-US Trade and Technology Council (TTC) meeting was held outside Washington, DC. The TTC is a key mechanism to support stronger transatlantic relations and to deliver concrete outcomes. Following the ministerial meeting, the EU and US outlined an ambitious list of deliverables in a range of areas, including artificial intelligence, standards, quantum, digital infrastructure and connectivity in third countries, semiconductor supply chain resilience, vaccines, skills and sustainable trade. They highlighted their commitment to advancing these projects and developing new ones. The TTC intends to meet again in mid-2023 in Europe to review the joint work and discuss new ways to expand the partnership.

At the meeting, the two sides reaffirmed an international rules-based approach to trade, technology, and innovation that are founded on democratic principles and values that can improve standards of living worldwide. They highlighted work on supporting sustainable, inclusive economic growth and development, a human-centric approach to the digital transformation, WTO modernisation and reform, and supply chain diversification and resilience.

On climate change, they will launch a new Transatlantic Initiative for Sustainable Trade to achieve a green and sustainable future. On labour, they are also establishing a Talent for Growth Task Force to recognise and develop the talent of working-age populations. On the Inflation Reduction Act, the US acknowledged the EU's concerns and underlined commitment to address them.

For further detail, please find the EU-US Joint Statement of the Trade and Technology Council here.

Trade and labour dialogue

Ibec's partner at EU level, BusinessEurope participated on 5 December in the first meeting of the EU-US Trade and Labour Dialogue and the Trade and Technology Council (TTC) Stakeholders event in Maryland, USA. The first meeting focussed mainly on cooperation on forced labour involving EU and US social partners and was chaired by Ambassador Katherine Tai, US Trade Representative, and Executive Vice-President Valdis Dombrovskis, European Commissioner for Trade.

On behalf of Irish and European business, BusinessEurope raised that (a) we need to have coordinated approaches on fighting forced labour to avoid disruption in our supply chains; (b) it's key to make sure we use all available trade tools including trade agreements to convince trading partners to do more; (c) exchange of information between governments and social partners is key; and (d) reliable information about what is happening on the ground is important to support companies, especially SMEs, in their compliance/ due diligence activities.

EU-US update

Inflation Reduction Act

On 16 August 2022, the IRA was signed into law. It offers financial incentives to support the green transition. The Act contains some discriminatory provisions that aim at forcing localisation of investments and production in the US to be able to benefit from incentives mainly in the form of tax credits. In particular, they negatively impact electric vehicle producers in the EU by hampering their ability to import to the US market. The EU strongly objects to this and both sides are working hard to address EU concerns in both this forum and other constructive bilateral engagements.

In December 2022, the US introduced new guidance which reaffirms that EU companies can benefit from the Commercial Clean Vehicle Credit scheme. EU companies will be able to immediately benefit from the new guidance. The EU welcomes this guidance, which reflects the constructive engagement as part of the EU-US Inflation Reduction Act Task Force at senior official level. The EU continues to seek similar, non-discriminatory treatment of EU clean vehicle producers under the Clean Vehicle Credits of the Inflation Reduction Act.

In October 2022, the EU and the US launched the EU-US Task Force on the Inflation Reduction Act. Further work is ongoing in the Task Force to find solutions to European concerns, for example by treating the EU the same way as all US FTA partners. We welcome the US announcement today that more time will be taken to work on the outstanding guidelines, allowing it to address these issues satisfactorily.

EU-U.S. Data Privacy Framework

On 13 December 2022, the European Commission launched the process to adopt an adequacy decision for the EU-US Data Privacy Framework, which will foster trans-Atlantic data flows and address the concerns raised by the Court of Justice of the EU in its Schrems II decision of July 2020.

The draft adequacy decision concludes that the US ensures an adequate level of protection for personal data transferred from the EU to the US. This is based on an in-depth assessment of the Data Privacy Framework itself and its obligations for companies, as well as the limitations and safeguards on access by US public authorities to data transferred to the US, in particular for criminal law enforcement and national security purposes.

The proposal for a draft adequacy decision follows the signature of an Executive Order by President Biden on 7 October 2022. Along with the Regulation issued by the Attorney General, the Executive Order implemented into US law the agreement in principle on a new EU-U.S. Data Privacy Framework announced on March 2022 by President von der Leyen and President Biden. The Executive Order introduces new binding safeguards to address the concerns raised by the Court of Justice of the European Union in its Schrems II judgement. It imposes limitations and safeguards on access to data by US intelligence agencies and establishes an independent and impartial redress mechanism to handle and resolve complaints from Europeans concerning the collection of their data for national security purposes.

These are positive developments and welcome political signals on safeguarding transatlantic data flows. Ibec continues to encourage the EU and US in their ongoing efforts to finalize a revised and resilient framework addressing privacy issues and the needs of modern digitalised business, big and small.

FTA update

The importance of Free Trade Agreements

Many European companies face challenges with high energy and inflation, supply chains disruptions and reduced consumer demand. In a recent letter to the Charles Michel, European Council President, BusinessEurope highlighted that increasing diversification through new free trade agreements would be one of the key actions to improve the situation for business and address many of the current challenges. Irish and European business also stated their appreciation of the European Council efforts to address these challenges and find the best tools to support competitiveness and maintain investments in Europe.

Trade Diversification is Key

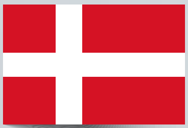
Businesses are attempting to deal with these multiple crises by seeking to become more efficient, while at the same time remaining competitive and increasing their resilience. That is why diversification is key. This is true for both imports, i.e., critical raw materials, and exports, i.e., new markets for increased economic opportunity and demand. This is necessary due to the increasing uncertainty regarding many of the EU's largest trading partners, including China and the UK, and the effects of the war in Ukraine. Even with the US, recent legislation has caused friction, while past disputes have not been fully resolved, with a risk that tensions may flare up again despite the more positive EU-US relations of recent years.

Diversification through new free trade agreements offers at least some of the solutions so acutely needed. To support companies' efforts to adapt to a rapidly changing geo-political and economic reality, the EU and its member states must collectively and rapidly focus on their market-creating role. This entails opening opportunities for trade and investment and building bridges that are both important for broader strategic reasons and for economic reasons. As such, 2023 must be the year when trade agreements between the EU and Mexico, Chile, New Zealand are ratified. A deal with Mercosur, the largest and most protected market to ever negotiate an agreement with the EU, would also be important for the EU and we need to see progress towards its adoption.

Pragmatic Approach to Trade Required

In this context, the EU must adopt a pragmatic approach to trade, trading with a wide diversity of partners to help increase supply chains resilience and sustainability. Modern trade agreements, equipped with robust sustainable development rules, are an indispensable tool to create a level playing field with third countries, fuel investments that are critical for the green and digital transitions, generate economies of scale that incentivise innovation and help fight climate change.

Especially in these times of extraordinary economic and energy crises, the EU must open more market opportunities to prevent loss of competitiveness and attract investment. It is crucial to support our economy, our companies, and our citizens.



Denmark

Danish General Election

The Danish snap general election held on 1 November took place after an ultimatum to the government by the Far-Left Social Liberal Party in the wake of the government's decision to cull the country's entire mink population during the Covid-19 pandemic, a move found to be illegal. The outcome saw the incumbent Social Democrats under Prime Minister Mette Frederiksen achieve their best result in 20 years, with 28% of the vote, translating to 50 seats. The Social Democrats, alongside the Venstre Liberal Party led by Jakob Ellemann-Jensen and the Moderates under Lars Løkke Rasmussen have formed a bipartisan government. This new coalition has a combined 89 seats in the 179-seat Folketing (parliament). The Venstre Liberal Party suffered losses of 40% of its seats following internal splits but managed to secure 23 seats. The Moderates performed relatively well for a party that was only established in June under former prime minister Rasmussen and came third in their first election, winning 16 seats. Greenland and the Faroe Islands each elect two representatives, who traditionally do not intervene in Danish domestic politics. This formation of a bipartisan coalition government is historical in that it breaks through the traditional Danish left-wing 'red bloc' and centre-right 'blue bloc' divide for the first time in more than four decades. This broad coalition was Frederiksen's campaign promise, arguing that political unity was necessary at a time of domestic and international uncertainty. Facing the current energy crisis, soaring inflation, and an ageing population, the government plans €672 million in tax cuts and to abolish one public holiday. These measures are aiming to boost productivity and increase the labour supply by 45,000 people by 2030, according to Frederiksen.

New Danish coalition government leaders, PM Mette Frederiksen, Jakob Elleman-Jensen and Lars Lokke Rasmussen.

Taoiseach Leo Varadkar and Tánaiste Micheál Martin

Ireland

Irish Government rotation

17 December 2022 ushered in a rotation of Taoiseach and Tánaiste alongside a minimal cabinet reshuffle to form the Government of the 33rd Dáil. This maintained the tripartite coalition Government of Fianna Fáil (FF), Fine Gael (FG), and the Green Party that followed the 2020 general election. Primarily, the December rotation brought in Leo Varadkar (FG) as Taoiseach, with Micheál Martin (FF) rotating to Tánaiste and Minister for Foreign Affairs and Defence. Varadkar has pledged that the Government will do "whatever it takes" to solve the housing crisis and cited a renewed focus on child poverty. Historically, this is the first government with both Fine Gael and Fianna Fáil participating, which Varadkar described as the end of what has often been referred to as Civil War politics. With minimal changes in the cabinet, there are a few key positions to note. Michael McGrath (FF) is now the finance minister with Paschal Donohue (FG) taking over the Department of Public Expenditure, National Development Plan Delivery and Reform. Paschal Donohue will maintain his position as Eurogroup President despite rotating out of his position as finance minister, while Michael McGrath will attend the Eurogroup on behalf of Ireland. Simon Coveney (FG) has taken on the portfolio for Enterprise, Trade and Employment, and Peter Burke (FG) assumed the position of Minister of State for European Affairs and Defence.

Czech Republic

Czech Presidential Election

Petr Pavel, the resounding winner of the Czech presidential election was announced on 28 January after the second round of voting, defeating Andrej Babiš. In the first round, Pavel finished first by a razor-thin margin, and opinion polls in the run up to the second round of the election showed public support squarely in his favour. Pavel, a former general who held a senior NATO military job, is staunchly pro-West and supports adoption of the euro as well as further military aid for Ukraine. In contrast, leader of the strongest opposition party and former Prime Minister Babiš, who is a chemicals, agriculture, and media magnate has been known for his anti-EU rhetoric. On 9 January he was acquitted in a Czech court over alleged fraud involving €2 million in EU funds. Pavel will succeed President Milos Zeman, who is known for his warm relations with Hungary's Viktor Orban and who has antagonised EU allies in the past with his support for Vladimir Putin. This changed following the war in Ukraine, for whom the Czech Republic has been a staunch supporter since the invasion. Pavel's victory is favourable for the EU, as he promises to reduce polarisation in the country and develop a firm Euro-Atlantic orientation towards the EU and NATO. Although Czech presidents have little daily executive authority, they hold significant powers in appointing prime ministers, central bank chiefs and nominating judges for the constitutional court. Presidents also have a limited say in foreign affairs, but Pavel has already demonstrated his departure from his predecessor's policy by making his first phone calls with Ukrainian President Zelensky and Taiwanese President Tsai Jing-wen. Pavel is expected to take office on 9 March and will serve a term of five years.

President of the Czech Republic, Petr Pavel.

Presidential frontrunner Nikos Christodoulides

Cyprus

Cypriot Presidential Election

On 12 February former Foreign Minister Nikos Christodoulides was elected President of Cyprus, winning 51.9% in a runoff vote against Andreas Mavroyiannis, who won 48.1% of the vote. The first round of voting included a record field of 14 candidates, in which Christodoulides earned 32.04% of the vote, while his opponent received unexpectedly strong support of 29.6%. Christodoulides is from the ruling right-wing Democratic Rally party (DISY) but ran as an independent, thus splitting the conservative vote. Mavroyiannis ran as an independent backed by communist rooted AKEL party. He was outgoing conservative President Nicos Anastasiades' chief negotiator in reunification talks with Turkish Cypriots. Before that he served as Cypriot ambassador to the UN, France, and Ireland. As a presidential republic, the president is both head of state and government with wide executive powers and also represents Cyprus at EU summits. Cyprus is a small island that remains a key source of tension between NATO members Greece and Turkey, and is de-facto divided by a UN-mediated 'buffer zone' since a Turkish invasion in 1974 following a Greek-inspired coup. All leading candidates in the election pledged to push for a resumption of 'bi-communal' peace talks which collapsed in 2017. Christodoulides is considered to be hardline in terms of the Cyprus reunification issue and is also backed by centre and centre-right parties less flexible in the reunification talks. He rejects the UN framework and is proposing 'new' methodologies, principally the deeper involvement of the EU in the negotiations. It is unclear if Christodoulides will join any of the EU's political party families, as he does not belong to any political parties in Cyprus.

Political Profile

Peter Burke TD,
Minister of State for European Affairs and Defence

Following the government rotation in December, Peter Burke TD was appointed Minister of State for European Affairs and Defence, having previously served as Minister of State for Local Government and Planning.

Before being appointed to the Government, Minister Burke sat on the Oireachtas Finance and Public Accounts Committees and has been a frequent media commentator on tax and financial issues.

He was born in Mullingar, Ireland and attended National University of Ireland, Galway where he studied Commerce. He is a Chartered Accountant by profession with 10 years' experience in the private sector. He served as a Councillor on Westmeath County Council from 2007 until he was elected to the Dáil in 2016.

As Minister of State for European Affairs, Peter Burke TD will attend the General Affairs Council (GAC) in Brussels. The GAC is mainly made up of the European affairs ministers from all EU member states. The General Affairs Council is responsible for ensuring consistency in the work of all Council configurations. It also prepares and follows up on meetings of the European Council (the meeting of heads of state or government of the EU member states). It is responsible for a number of cross-cutting policy areas, which include EU enlargement and accession negotiations, the adoption of the multiannual financial framework, cohesion policy, matters relating to the EU's institutional set-up and any dossier entrusted to it by the European Council.

At the 6 February GAC, which Minister Burke attended, the Council prepared for the special European Council on 9-10 February by discussing draft conclusions. Ministers also assessed the state of play of the EU-UK relations and the Protocol on Ireland/Northern Ireland, with European Commission Vice President Maroš Šefčovič updating ministers on the ongoing work between the EU and the UK to try and find common solutions. The Swedish Presidency also presented its priorities to the meeting. As regards the General Affairs Council, the Presidency will take forward work in the various areas under its responsibility, such as rule of law, enlargement and strengthening democracy.

Peter Burke TD, Minister of State for European Affairs and Defence

Member Profile

A view from our membership: Gas Networks Ireland

At the heart of Ireland's energy future

Gas networks are central to Ireland and the EU's energy mix and are key enablers to achieving energy security and climate action targets. Decarbonising and repurposing gas networks will complement the development of renewable electricity, reduce emissions across all sectors, and further enhance the security and resilience of Ireland's and the EU's energy supply.

Gas Networks Ireland operates and maintains Ireland's €2.7 billion, 14,664km national gas network, supplying over 720,000 Irish homes and businesses. Gas Networks Ireland has developed a gas network that plays a vital role in Ireland's energy system; supporting a diversified and growing economy and providing vital back-up to renewable electricity.

Energy system integration

The partnership between flexible gas-fired power generation and intermittent renewable generation will be key to optimising Ireland's renewable energy production. The gas network's role in providing flexibility and stability to the electricity grid is likely to increase in importance, as the grid adapts to meet increasing electricity demand and the government's target of delivering 80% renewable electricity by 2030, with flexible gas fired generation stepping in when renewable electricity rates fall due to lower wind/solar conditions.

Decarbonisation role of renewable gases and the gas network

Gas networks will continue to play a central role in Ireland and the EU's future clean and secure energy system, by transporting renewable gases, such as biomethane and green hydrogen at scale; key components of Ireland's Climate Action Plan 2023 and the EU Green Deal. Gas storage, including hydrogen storage, will be central to achieving this.

Gas Networks Ireland is fully supportive of Ireland's and the EU's climate targets. We are already supporting Ireland's journey to a cleaner energy future by:

- Facilitating biomethane injection into the gas network. Although volumes are currently small, the network has successfully demonstrated the ability to inject biomethane, with volumes expected to increase significantly in line with the new national target of up to 5.7 TWh biomethane by 2030 (c. 10% of overall network demand in Ireland).
- Preparing the existing gas network to accept hydrogen/natural gas blends from the UK. We have invested in our Network Innovation Centre in Dublin to ensure safety and operability of pipelines, meters, and appliances with a variety of hydrogen blends.
- Preparing for the injection of indigenous green hydrogen at appropriate locations onto the gas network.

Ireland's gas network is a modern network and today it can transport 100% biomethane and up to 20% hydrogen blends. Green hydrogen produced from excess renewables can be: 1) blended in the gas network to decarbonise the gas; 2) stored seasonally in strategic locations; and 3) transported efficiently to indigenous hydrogen clusters and international markets via the gas network.

The European Hydrogen Backbone initiative proposes one of the two existing gas interconnectors between the UK and Ireland could be repurposed in the future to enable export of green hydrogen from Ireland to industrial demand clusters in the UK and beyond to the Netherlands, Belgium and Germany.

Evolving EU energy landscape

Tackling the current energy crisis has necessitated a rapid increase in EU and national policy developments and energy policy focus has broadened to place more emphasis on energy security and affordability since Russia's invasion of Ukraine.

The legislative proposals contained within the Hydrogen and Gas Market Package are welcomed by Gas Networks Ireland and are focussed on creating a legislative framework for an EU hydrogen market and facilitating the integration of renewable gases onto gas networks across Europe. We also welcome the ambitious REPowerEU targets for biomethane (35bcm by 2030) and renewable hydrogen (20 million tonnes by 2030).

We continue to work with key national and EU stakeholders and policy makers to pursue opportunities to decarbonise the network, as part of Ireland's transition to a secure, clean energy future.

Irish Medtech Association

Ireland takes centre stage

The growth of Ireland's global medtech hub accelerated over the past three decades. While top FDI medtech companies, such as Boston Scientific, Stryker, and Medtronic increased investments with new sites in the 1990s, the sector also saw the birth of worldclass startups such as Aerogen which has now become synonymous internationally with the effective treatment of respiratory illness.

The EU single market has played a pivotal role in transforming Ireland's economy, and positioning Ireland as allocation of choice to start and grow a business. Ireland's global medtech hub now boasts 450 companies, including nine of the world's top 10, with 45,000 people employed directly making it the greatest employer of medtech professionals, per capita, in Europe. It is one of the leading locations for FDI investment in the EU, and it champions the greatest trade balance in Europe ahead of Germany.

Staying ahead of competitors

To maintain our momentum, the Irish Medtech Association has launched a new strategy for the future, 'The Global Medtech Hub'. This was informed by extensive research through which we identified global game changers, notably in the areas of healthtech and convergence. To achieve our vision of positioning Ireland as a global leader in patient-centred medtech that sets the future healthcare agenda, we developed a major submission with Ibec's BioPharmaChem Ireland, highlighting how a National Healthtech Strategy, led by the Department of Enterprise, Trade and Employment, can grow our economy while improving lives.

The medtech community is an integral part of the wider healthcare system playing a key role in preventing, diagnosing, and treating illness. The industry in Ireland, like elsewhere, is driven by constant innovation with medtech companies embracing exciting advancements in digital health to future-proof their R&D pipeline. In Ireland, Ibec's 'Where Digital Health Thrives' campaign has already showcased the depth and breadth of this burgeoning ecosystem with 200 businesses mapped out to deliver products and services in areas such as precision healthcare, remote patient monitoring, and health information technology.

Anton Savage, Broadcaster and Journalist; John O'Brien, CEO, S3 Connected Health; Bern O'Connor, Vice President Global Advanced Operations, Stryker; Sinead Keogh, Head of Sectors, Director, Medtech and Engineering, Ibec; Matt Moran, Director, BioPharamChem Ireland; and David Uffer, Vice President, Medtech General Inception

Completing the Digital Single Market

To reap the benefits of our digital health ecosystem, while protecting Europe's strategic open autonomy, we need to complete the digital single market. The current level of regulatory complexity and fragmentation in the EU remains a barrier that cuts short the heights we can reach in achieving our potential through trade and hinders the move to foster more effective data management.

In the first half of 2022, the French Presidency of the Council of the EU began an important journey to help Europeans benefit from digital advances, with the European Health Data Space (EHDS). The Irish Medtech Association, along with MedTech Europe, believe that has EHDS can be a ground-breaking initiative that empowers citizens and improves healthcare if well implemented. To promote better data access, and safe sharing, we need trust in the EHDS with all stakeholders engaged, innovation focus that protects quality, interoperable date, along with clarity in legal expectations arising from harmonisation.

Ireland's global medtech hub now boasts 450 companies, including nine of the world's top 10, with 45,000 people employed directly making it the greatest employer of medtech professionals, per capita, in Europe.

Food Drink Ireland

As we enter 2023, the agri-food sector is facing significant challenges brought about by rising energy costs and global supply chain challenges, set against the backdrop of a cost-of-living crisis. The sector is also gearing-up for significant new regulatory developments bought about through the Packaging and Packaging Waste Regulation, the substantiation and labelling of green claims and proposals for a legislative framework for Sustainable Food Systems. Meanwhile, heated debates have been taking place across Europe on the future of front of pack labelling, with opinions firmly divided on the best harmonised single market-approach to take. Against this backdrop it is easy to forget the significant developments in food regulation that have brought us to these discussions, both in Ireland, and as an overall EU single market.

Stepping back in time, Ireland introduced its first food standards legislation during the 1930s with the Agricultural Meats Act (1930), followed by the Pig and Bacon Act, and the Milk and Dairies Act in 1935. These acts were introduced as growing bodies of evidence were emerging regarding food safety, coupled with the importance of ensuring standards for agricultural exports. In 1974, the Food Standards Act was signed into legislation in Ireland. This was the first time that food was defined, “as any substance used for food or drink by man”, and that labelling specifications about the ingredients in a product (though not the quantities) were laid down in Irish legislation.

Similarly, regulatory developments were emerging across the EU during the 20th century, though differing economic circumstances drove legislation in varying directions. In the UK for example, the shortage of food and rationing during World War Two was found to result in food adulteration; subsequently legislative requirements for producers to provide details of their names and addresses on label, along with the list of ingredients were implemented in 1943.

The 1970s saw the beginning of huge economic and social change across Europe, with what would become the EU emerging as a significant trading bloc. In 1973, when Ireland joined the European Economic Community, Irish exports of food and live animal exports accounted for 41% of the country’s total exports and were valued at €1.1 billion. Over 55% of food and drink exports entered the UK or NI markets. In the 50 years that followed, food and drink exports have grown to €16.7 billion, and while the UK remains an important trading partner, more than one third (34%) of Irish food and drink exports now enter the EU.

In the 50 years that followed, food and drink exports have grown to €16.7 billion, and while the UK remains an important trading partner, more than one third (34%) of Irish food and drink exports now enter the EU.

Throughout the last century, advances in scientific knowledge on food safety, nutrition and authenticity has driven regulatory changes across European communities. A key evolution of the EU was the facilitation of a harmonisation of most food regulations across member states during the 1980s. However, a number of food incidents in the 1990s highlighted the need for the implementation of a set of guiding principles and requirements concerning food safety, across the entire supply chain. In 2002,

the General Food Law was adopted, thus setting out these parameters and becoming the foundation of food and feed law in the EU. The European focus for the next 10 years is on the sustainable production of food, with an overarching legislative framework on sustainable food systems being developed to support these overarching goals.

Ireland accounts for 5.7% (€9 billion) of all EU food and drink exports. For a country with slightly over 1% of the EU population, that is an incredible achievement.

The free movement of safe food within the single market is also identified as essential for the contribution to the health and well-being of citizens and is also enshrined within the General Food Law. Furthermore, the European Commission viewed it appropriate to apply the same high level of health protection in cases where food is traded internationally also, ensuring that food exported from anywhere in the EU is of the highest quality globally. This underpins Europe's status as the world's largest exporter of food and drink products, sharing Europe's fine culinary traditions for quality and food safety with all four corners of the world - to the tune of €156 billion. Ireland accounts for 5.7% (€9 billion) of all EU food and drink exports. For a country with slightly over 1% of the EU population, that is an incredible achievement.

The implementation of harmonised regulations across the EU single market has without a doubt been advantageous to Irish food and drink manufacturers who export about 90% of goods produced in Ireland. With the EU bloc accounting for approximately one third of these exports, the introduction of harmonised legislation has facilitated the expansion of trade of Irish goods across the EU. Having the same sets of rules and checks in place across the board enables businesses to work more efficiently in terms of managing supply chains, and facilitates the straightforward distribution of goods across multiple EU countries. Without EU membership we would be left with a market of 5 million people instead of 440 million.

The prevalence of national schemes emerging from individual member states, such as extensions of mandatory origin indications and bans on EU approved substances threatens the core principles of the functioning of the single market. Such renationalisation measures create internal EU barriers to trade and prevent the free movement of goods that is so critical to the success of Irish food and drink exports. The benefits of shared risk management and official controls are also undermined by the implementation of such measures. For member states who wish to protect and promote the provenance of their goods, the necessary frameworks are already enshrined in EU legislation through the protections of GI's and the additional rules for declarations of a products origin.

The UK's exit from the EU has highlighted the extent to which the single EU regulatory system is intertwined, and of how the success of the single market is dependent on such interconnectivity. For Irish exporters of food and drink in particular, the emergence of diverging regulatory frameworks between the EU and our closest and most significant trading partner has become a substantial threat. When discussions evolve regarding the future of front of pack labelling or packaging and packaging waste, the harmonisation of rules that for so long provided the cornerstone for fair, equitable trade with our nearest neighbour are no longer guaranteed.

As we celebrate the 30-year anniversary of the EU Single Market, we are ready to embrace the regulatory challenges that lie ahead and play a critical role in securing a sustainable future for Europe.

Financial Services Ireland

This year we are celebrating two important milestones: 50 years of Ireland's EU membership and 30 years of the European Union's single market.

It is timely therefore to reflect on Ireland's EU and European single market membership and the many positive impacts it has had, and continues to have, on the financial services industry and the Irish economy. Ireland is a key EU financial centre, 116,000+ people employed in the industry with a total GDP of €19 billion. In 2021, the financial services sector was responsible for 15% of Ireland's corporation tax income.

The international financial services sector in Ireland has steadily grown over the decades. Now, Ireland is one of the most important EU hubs for: international banking – 17 of the top 20 global banks are based here; capital markets activity – Ireland services over €6.5 trillion of assets under administration and is the 3rd largest funds domicile in the world; aircraft leasing -14 of the top 15 global aircraft lessors are located here; and insurance and reinsurance - 11 of the top 15 insurance companies have a presence in Ireland, with the sector holding over €300 billion of assets in Ireland.

Ireland is one of the largest exporters of financial services in the European Union. One example is life insurance, where Ireland is the leading European jurisdiction, with a high number of firms domiciled here and serving consumers and investors across Europe since the late 1980s. An ecosystem of professionals in actuarial, risk, compliance and legal disciplines has grown to support this sector.

Two major policy priorities are the completion of Banking Union, and completion of Capital Markets Union. These will establish a genuine single market for financial services. CMU for example, would diversify sources of funding for SMEs.

After Brexit, many UK and global banking groups expanded or established new Irish entities to continue to service EU clients and international banking operations in Ireland are now acting as a key bridge to servicing the EU market, both directly and through a vast EU branch network.

Looking to the future, the single greatest challenge is undoubtedly climate change: in this, the EU has been the global leader on sustainable finance and is ahead compared to others big economies. We believe Ireland has everything to offer in support of the EU's sustainable finance ambition. Ireland is already considered a global centre of excellence for the listings of Green and Environment, Social & Governance (ESG) Bonds, a dynamic talent and skills strategy to attract workers from abroad is needed to reach the goal. For this reason, we initiated the development of a world-first Professional Diploma in Sustainable Finance for Compliance Professionals through the IFS Skillnet.

L-R Audrey Crummy, Deputy Director, Financial Services Ireland, Dr Jennifer Carroll McNeill TD, Minister of State with responsibility for Financial Services, Credit Unions and Insurance Department of Finance and Patricia Callan, Director, Financial Services Ireland.

Policy Desks

EU Corporate Sustainability Reporting Directive

On 5 January 2023, the Corporate Sustainability Reporting Directive (CSRD) legally entered into force, revising the Non-Financial Reporting Directive (NFRD), which applies exclusively to large public-interest companies (listed companies, banks, insurance companies etc.). It builds upon the current requirements to annually disclose information on how sustainability issues affect business and how business impacts on sustainability, specifically the environmental, governance, and social and human rights factors. It intends to enable investors and stakeholders to evaluate non-financial performance in the same manner as financial performance, encourage companies to develop and continue with a responsible and sustainable approach to business, and finally to prevent divergent sustainability standards.

The Directive is progressive, in that in the first year it will include only companies already subject to the NFRD before it is expanded in scope to include other large companies, listed SMEs, and non-EU companies with EU subsidiaries incrementally for the next three years. This legislation includes three new requirements: an annual report on sustainability matters in a dedicated section of the company's management report, listed subsidiaries must report individually but their parent company may be required to follow up on differences between subsidiaries, and finally a mandated audit of reported information is required.

In addition, reporting requirements have been expanded as part of this Directive. These will be in accordance with the European Sustainability Reporting Standards developed by EFRAG once formally adopted by the Commission. A characteristic of these reporting requirements is double materiality – where not only climate-related impacts on the company should be accounted for but also the impacts of the company on the climate or any other dimension of sustainability. Another characteristic is forward-looking information. The CSRD also requires the company to provide information on the value chain or a full explanation as to why this is not possible, and to consider to the maximum extent possible international standards and alignment with other EU law for example the Corporate Sustainability Due Diligence Directive, which is currently under negotiation.

There are four areas of sustainability standards covered by CSRD that include several specific sub-topics in order to break down and provide clarity to companies. The areas are Environment, Social, Governance, and Cross-cutting. Topics within the field of Environmental reporting include climate change mitigation, pollution, water and marine resources, biodiversity and ecosystems, and resources use and circular economy. In the Social category, there are three main points of interest: equal treatment and opportunities, working conditions, and respect for human rights, fundamental freedoms, democratic principles and standards established in core documents of international law. The Governance category covers the administrative, management, and supervisory bodies in internal control and risk management processes, and the business ethics and corporate culture. This category also covers political engagement to exert influence, and finally the management and quality of relationships with business partners, customers, suppliers, and communities affected by the activities of the undertaking. Cross-cutting topics include strategy and business model, sustainability governance and organisation, sustainability material impacts, risks, and opportunities. At the end of June 2024, additional standards will be adopted for listed SMEs, non-EU companies and sector-specific standards proportionate to the scale of risks or impacts in the future.

There are four areas of sustainability standards covered by CSRD that include several specific sub-topics in order to break down and provide clarity to companies. The areas are Environment, Social, Governance, and Cross-cutting.

Official application of the legislation will commence after 1 January 2024, with reporting starting from 2025. In the meantime, there will be a European Commission public consultation in March 2023, after which the Commission is expected to adopt the reporting standards via delegated acts at the end of June, leaving the European Parliament and Council a scrutiny period of roughly six months before application.

Ibec contributed to the preparation of EFRAG's draft standards through BusinessEurope's membership of EFRAG and is actively engaged with Government in support of the transposition and implementation of the CSRD, including responding to the Department of Enterprise, Trade and Employment's public consultation on the Member State options.

In speaking of peace, we must acknowledge the importance of prosperity

Danny McCoy, CEO, Ibec
for the Irish Times, 21 January 2023

This year marks the 25th anniversary of the signing of the Belfast/Good Friday Agreement (BFGA), the landmark United Nations registered international agreement between the United Kingdom and Ireland that laid the foundations in bringing forward a shared peace process.

As we approach this significant milestone, businesses across the all-island economy should reflect on the remarkable period of prosperity that the BGFA has facilitated, not just in Ireland, but across the United Kingdom. It is a prosperity that has seen hundreds of thousands of jobs created, thousands of new businesses flourish, investment in formerly forgotten communities pour in, all of which has significantly enhanced overall living standards and quality of life across the island of Ireland.

This intervening period has been characterised by a seismic transformation in the Irish economy. We have seen the Irish economy transform from the economic laggards of the Western world, to one of the most resilient, dynamic and prosperous economies globally. Such profound developments would not have been made possible without the signing of the BGFA.

The certainty instilled by the BGFA has allowed the all-island economy to better integrate crucial physical infrastructures in energy and transport on the island, strengthening efficiencies, better leveraging assets, and reducing costs for consumers. What is more, it has allowed us to leverage intangible assets like research ties, the mobility of people and ideas, and the all-island tourism brand.

Cross-border co-operation and gains have been derived to the benefit of both the UK and Ireland in a multitude of areas ranging from environmental collaboration, accident and emergency services, education, energy, tourism, recreation, social cohesion and transport. The BGFA, strengthened by our once-shared membership of the Single Market, brought tangible benefits in the scale, spread and intensity of trade across the island.

Whether it be in dairy, whiskey, the experience economy or manufacturing, the growth of all-island brands and supply chains has been catalysed by supporting the principles and commitments adhered to in the BGFA.

Complacency must be avoided

While this anniversary ought to be celebrated, it also affords a timely opportunity for reflection and acknowledgement that we cannot afford complacency. While much progress has been made, there remains much to be done to deliver full prosperity to the island.

Much of the prosperity delivered by the all-island economy over the past two and a half decades is owed to the presence of an invisible border that allows for seamless cross-border investment, recruitment, production, supply chains, R&D collaboration, marketing and much more. However, the ongoing uncertainty surrounding Brexit and the Protocol and how this impacts not just North-South dynamics but also those of East-West, weighs heavily on investors' minds and risks eroding hard-earned gains over the past two and a half decades.

Northern Ireland continues to endure a brain drain, with thousands of school leavers going to Britain for their third level education. Productivity challenges persist in both jurisdictions.

Furthermore, both jurisdictions need to make significant investments in infrastructure to support further economic gains and opportunities identified, particularly in relation to our shared climate challenge. In Ireland this has begun in earnest – now it requires the speedy implementation of the National Planning Framework (NPF) and National Development Plan (NDP) including its all-island priorities. Northern Ireland's Regional Development Strategy 2035 requires immediate updating and equally rapid progress is needed to deliver essential infrastructure investment in the short and longer term. Failure to do so will result in increasingly chronic infrastructure deficits that negatively impact on competitiveness and the quality of people's lives.

Role of business

This year, Ibec will lead a campaign that calls on stakeholders across the UK and Ireland to use this milestone anniversary to reflect on the remarkable period of prosperity for both islands that the BGFA facilitated and the importance of underpinning it for future posterity, particularly post-Brexit in the absence of both nations being in the EU Single Market, itself a crucial facilitator of the peace and prosperity agreement.

This week, we will publish an economic impact report on the benefits of peace to Ireland. The report will show that an end to violence made Ireland a much more attractive place to live and work, has helped end decades of outward migration and that this, in turn, has resulted in record numbers of young talented workers on the island.

The report will also show that in a world where certainty is the key ingredient for companies investing in any country, the peace process gave more certainty for companies placing key assets, infrastructure and teams in Ireland.

If we are to meaningfully mark the 25th anniversary of the BFGA, it is imperative that the governments of the UK and Ireland, alongside the European Union, work with the respective business communities to establish detailed, innovative and workable solutions needed to protect and build on the benefits delivered by the all-island economy and ensure its future development is not hampered in any way.

It is how, ultimately, Northern Ireland, Britain, and Ireland, together with EU and US partners, can ensure that the full potential of the BGFA is achieved.

See campaign report here.

B9+ in Spain

In December, Ibec, represented by Erik O'Donovan, Head of Digital Economy Policy, participated in the Business 9+ (B9+) bilateral meeting with Digital 9+ (D9+) ministers in Las Palmas, Spain, in preparation for the Swedish and Spanish Presidencies of the Council of the EU in 2023. The B9+, made up of the business confederations of the 12 digitally advanced Member States. The joint statement is available here.

From left to right: Enrique Gilmas Aparicio and Marcos Martínez Rodríguez, CEOE (ES), Erik O'Donovan, Ibec, Simone Sachmann, DI (DK), Heidi Hanhela EK (FI) with representatives from the Government of Spain.

BusinessEurope Council of Presidents

Imelda Hurley, Ibec President and CEO of Coillte, Danny McCoy, Ibec CEO, and Neil Willoughby, Ibec Senior European Affairs Executive, represented Irish business at the BusinessEurope Council of Presidents in Stockholm, Sweden, in advance of the Swedish Presidency of the Council of the EU. The meeting included engagements with Commissioner Thierry Breton, Swedish Prime Minister Ulf Kristersson and Swedish EU Affairs Minister Jessika Roswell, to present the Stockholm Declaration.

Keynote speech from Thierry Breton, Commissioner for the Internal Market.

Danny McCoy, Ibec CEO, Imelda Hurley, Ibec President and Neil Willoughby, Ibec Senior European Affairs Executive

Brigid in Brussels

To mark Saint Brigid's Day 2023, the Embassy of Ireland to Belgium and the Permanent Representation of Ireland to the European Union, in collaboration with Ibec Global, hosted a networking event for Irish women based in Belgium. Ambassador Cáit Moran, Commissioner Mairead McGuinness, Frances Fitzgerald MEP and Ibec Global's Jackie King delivered keynote speeches on the day.

Sarah Greene, Permanent Representation of Ireland to the EU, Erica Lee, Deputy Head of Mission Embassy of Ireland in Belgium, José Amsing, Ibec Global, Jackie King, Ibec Global, Frances Fitzgerald MEP, European Parliament, Mairead McGuinness, European Commissioner for financial services, Cáit Moran, Ambassador to the Political and Security Committee, Kate Byrne, Ibec, Ellen O'Connor, Ibec Global, Áine Clarke, Embassy of Ireland in Belgium and Amber Davy, Permanent Representation of Ireland to the EU.

Sector delegations' meetings in Brussels

On 8 November, the **Irish Medtech Association** visited Brussels to discuss patient access to Medtech and the EU regulatory system. The Irish Medtech Association and regulatory experts met with policymakers in the European Parliament, European Commission and Irish Permanent Representation.

Irish Medtech Association meeting Patricia Reilly, Head of Cabinet for Commissioner Mairead McGuinness.

Irish Medtech Association meeting with Deirdre Clune MEP and European Parliament advisors.

Irish Medtech Association meeting Barbara Cullinane, Deputy Permanent Representative, Irish Permanent Representation and Eadaoin Collins, Counsellor, Irish Permanent Representation.

On 29 November, **BioPharmaChem Ireland** launched its 5-year strategy, 'Ireland– The Global Leader in Sustainable Biopharmaceutical Manufacturing' in Brussels. BioPharmaChem Ireland, InnoGlobal and Ibec Global held a roundtable discussion on Industry 5.0.

Matt Moran, Director, BioPharmaChem Ireland, Seán O'Reagain, Deputy Head of Unit, Industry 5.0, European Commission, Jackie King, Ibec Global, Seán Kelly MEP and Ian Jones, CEO, Innoglobal.

Magnus Rydén, Swedish Ambassador, Pat Ivory, Ibec Director of EU and International Affairs, and Håkan Jevrell, State Secretary for Trade, Swedish Ministry for Foreign Affairs.

Swedish Presidency of the Council of the European Union

Ibec Director of EU and International Affairs, Pat Ivory met with Håkan Jevrell, State Secretary for Trade, Swedish Ministry for Foreign Affairs and the Swedish Ambassador to Ireland, Magnus Rydén during their visit to Dublin in January 2023 to discuss priorities for the Swedish Presidency of the Council of the EU.

As the Swedish Presidency of the Council of the EU begins, EU governments and business face a challenging trading environment with the impact of the war in Ukraine and many geopolitical challenges. It is more important than ever for governments and business to work together to face these challenges both within the EU and with key trading partners. At the meeting, the importance of the EU remaining open to trade and investment was identified as a priority, as well as ensuring that the response to the US Inflation Reduction Act both internally, within the Single Market, and externally, working together to ensure market access to the US and EU markets, is maintained and enhanced for business on both sides of the Atlantic. Attendees also discussed the importance of the EU getting the balance right between business and government on the sustainability reporting, due diligence and forced labour initiatives. On the digital transformation side Swedish State Secretary and Ambassador welcomed the input to and engagements with the D9+ Ministerial meetings from the Business 9+ group, which involves Ibec and European business partners.

European Parliament IMCO mission to Dublin

On 19-21 December 2022, a delegation of five Internal Market and Consumer Protection Committee (IMCO) MEPs visited Dublin and border counties to investigate the operation of the Northern Ireland Protocol and its effects on the EU single market and consumers. The objective was to obtain first hand perspectives from a range of Irish interests on Brexit and the Protocol. The delegation attended a variety of meetings, meeting with senior officials in the Department of Foreign Affairs, Competition and Consumer Protection Commission (CCPC), Jameson Distillery/Irish Distillers Group, Lakeland Dairies, and Ibec. Pat Ivory and Róisín de Bhaldraithe met with the delegation on behalf of Ibec. The mission report can be read in full here.

Ibec's Dr. Pat Ivory and Roisín de Bhaldraithe met with the delegation. Members of the visiting mission: Anna Cavazzini (Group of the Greens/ European Free Alliance. IMCO Chair and Head of the mission) Deirdre Clune (EPP) Antonius Manders (EPP) Adriana Maldonado López (S&D) Marco Campomenosi (ID).

Ibec meeting with the US Minister Counselor for Commercial Affairs in Europe

On 17 January, Ibec and its members met with US Minister Counselor for Commercial Affairs in Europe, Michael Lally and US Embassy officials based in Ireland. Ibec had the opportunity to outline key priorities on a wide range of important issues for business including on sustainability, digital, trade and technology as well as receive the US view from Brussels on EU-US relations.

BusinessEurope International Relations Committee: Trade and Supply Chains – A new Era: Openness or Protectionism?

On 2 February, BusinessEurope held an open session of the International Relations Committee in Dublin, with a panel discussion on "Trade and Supply Chains – A new Era: Openness or Protectionism?". Marion Jansen, Director of Trade and Agriculture Directorate at the OECD in Paris, travelled to Dublin to deliver a keynote address, as well as participating in the subsequent panel discussion. Panel members included Luisa Santos, Deputy Director General at BusinessEurope responsible for international relations, Laurent Scheer, Vice-President, Global Public Affairs & Alcohol in Society at Pernod Ricard SA and Dr. Pat Ivory, Director of EU and International Affairs at Ibec. The event was followed by a meeting of BusinessEurope's International Relations Committee who discussed the business strategy for EU trade and supply chain policies.

Ibec
For Irish Business

If you want to pick up on any of these items, don't hesitate to contact any member of the team.

Pat Ivory
Director of EU &
International Affairs
+ 353 1 605 15 71
pat.ivory@ibec.ie

Neil Willoughby
Senior Executive
European Affairs
+32 2 740 14 32
neil.willoughby@ibec.ie

Kate Byrne
EU Policy Executive
+32 2 740 14 35
kate.byrne@ibec.ie

Jennifer Wallace
Executive, Trade &
International Affairs
+ 353 1 605 1526
jennifer.wallace@ibec.ie

Róisín de Bhaldraithe
EU Policy Officer
+ 3237401433
roisin.debhaldraithe@ibec.ie

Ibec HQ
84-86 Lower Baggot Street
Dublin 2
+353 1 605 1500
info@ibec.ie
www.ibec.ie

Cork
2nd Floor Penrose One
Penrose Dock
Co. Cork, T23 KW81
+353 21 429 5511
cork@ibec.ie
www.ibec.ie/cork

Limerick
Gardner House, Bank Place
Charlotte Quay
Limerick
+353 61 410 411
midwest@ibec.ie
www.ibec.ie/midwest

Galway
Ross House
Victoria Place
Galway
+353 91 561 109
galway@ibec.ie
www.ibec.ie/west

Waterford
Waterford Business Park
Cork Road
Waterford
+353 51 331 260
southeast@ibec.ie
www.ibec.ie/southeast

Donegal
Pier One
Quay Street
Donegal Town
+353 74 972 2474
northwest@ibec.ie
www.ibec.ie/northwest

Ibec Brussels
Avenue de Cortenbergh 100,
1000 Brussels
+32 (0)2 740 14 30
ibec.europe@ibec.ie
www.ibec.ie/europe

@ibec_irl
www.linkedin.com/company/ibec