

ibec Europe & Global Focus

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ibec
For Irish Business

**Solidarity with Ukraine
as EU sanctions Russia**

**Ibec's campaigns: Stronger Europe,
Stronger Ireland and Towards
a Model of Sustainable Substance**

**Ibec missions to Brussels, Paris,
Prague, New York and Washington**

In this issue...

From the editor3

EU Affairs5

Global Trade & International Affairs10

EU Member States Update.....12

Profile14

Sectoral Highlights.....15

From our policy desks16

Ibec EU and International campaigns, events and activities.....18

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Solidarity with Ukraine as EU and global partners issue tough sanctions on Russia and raise humanitarian effort

Welcome to our spring edition of Ibec Europe & Global Focus featuring insights into the latest developments in EU and International policy. As we publish, the EU continues to develop and deepen its response to Russia's actions in Ukraine. The early stages of the crisis have displaced millions of people and Europe is working with global partners to respond as well as to put pressure on Russia diplomatically and economically. In Ireland, ongoing crises and market factors have pushed up prices of essential goods including energy and deepened inflation. Ibec continues to monitor the effects on business and measures necessary to alleviate the burdens.

In this issue, we take a look at the sanctions taken against Russia following its actions in Ukraine. Ireland, the EU and the US as well as many members of the international community have shown solidarity with Ukraine and the Ukrainian people in the wake of Russia's ongoing actions. Measures taken to address the crisis have included several packages of economic sanctions designed to impact the Russian economy and force de-escalation. Given the centrality of Ukraine to many critical supplies of food and food production materials, extant pressures on inflation and supply chains are expected to worsen.

Ibec and the Irish Congress of Trade Unions (ICTU) launched a joint initiative to encourage workers to donate one hour's pay to a relief fund in support of Ukraine, which Ibec will

then encourage members and other employers to match on a voluntary basis. The final total will be transferred to International Red Cross and UNICEF Ireland.

In our general EU affairs section we look at major developments in EU politics and policy in this quarter. At the midpoint in this EU institutional cycle we introduce the new President of the European Parliament, Roberta Metsola MEP, analyse the French Presidency of the Council of the EU and summarise the Commission's proposal for a Corporate Sustainability Due Diligence Directive. We also look at latest developments in digital policy.

On 24 April, incumbent Emmanuel Macron was reelected President of France for a second five-year term. Following his victory in the first round, President Macron received 58.5% of the vote compared to 41.5% for National Rally leader Marine Le Pen in the second round run-off. Global affairs loomed large in the run-up to the election, with the legacy of COVID-19 and its economic impacts pressing on the minds of voters as well as the conflict in Ukraine, which France, the EU, US and NATO have been vocal in condemning.

In our global affairs and trade policy section, we look at developments in the EU-US and EU-China relationships, as well as latest developments in the WTO. Recent months

Given the centrality of Ukraine to many critical supplies of food and food production materials, extant pressures on inflation and supply chains are expected to worsen.

From the Editor

have seen the EU-US relationship take on a renewed energy, as the two have coordinated over sanctions on Russia, discussed approaches to China and addressed transatlantic data flows and the Privacy Shield situation.

Engineering Industries Ireland, one of Ibec's newest trade associations, recently launched its 2022-2025 strategy, outlining its ambition for Ireland's homegrown and multinational engineering and manufacturing growth sector to influence rules nationally and internationally in the areas of sustainability and technology.

In this issue we take a look at Ibec's recent visit to Prague where we joined other D9+ business organisations and member state representatives for a joint meeting. The meeting, attended by Minister of State for Trade Promotion Robert Troy as well as his counterparts from various D9+ countries, was Ibec's opportunity to use our joint voice with likeminded business organisations who want the EU to go further in digital ambition.

Central to Ibec's campaigning in 2022 is Model of Sustainable Substance, an Ibec campaign which tells the story of Ireland's outward-looking, open and resilient economic model, the key to our competitiveness. It looks at challenges down the road for Ireland to rise to, such as long-term sustainability and the actions businesses will have to take to continue to grow and innovate as this reshapes aspects of our economy.

We also highlight Ibec's vocal activities on EU affairs in this quarter as we recently launched our campaign Stronger Europe, Stronger Ireland, which speaks to our ambitions and asks on green, digital, social and trade policy at this midpoint in the EU's institutional cycle and at 50 years of Irish membership and Ireland's contemporary, influential position as a net contributor. We used our live broadcast from the European Parliament in March, led by Ibec CEO Danny McCoy along with Seán Kelly MEP, to engage with Commissioner Mairead McGuinness, Minister of State Thomas Byrne and President of the European Parliament Roberta Metsola on these issues.

Lastly, we profile Ibec's engagements with USA stakeholders. As part of Ibec's St. Patrick's Day programme, an Ibec delegation including President Frank Gleeson, President and CEO of Aramark Northern Europe, CEO Danny McCoy, Executive Director of International Business Jackie King and Director of EU and International Affairs Pat Ivory, attended a programme of events in New York and Washington DC in March.

We hope you find valuable the insights of this latest issue of Ibec Europe & Global Focus. The EU & International team and I look forward to engaging with you on any of the issues outlined should you wish to get in further contact.

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



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Ukraine: EU measures in response to the Russian invasion of Ukraine

The Russia-Ukraine situation deteriorated dramatically in late February with Russia, despite earlier public statements, invading Ukraine. The EU has been coordinating responses with member states and third country partners including the UK, US, and Canada. The EU's focus is on protecting the rules-based international order, holding Russia accountable for its actions, supporting Ukraine and its people, and mitigating any impact on the European economy.

Ibec, together with partners in BusinessEurope, is following developments closely and providing updates regularly. Business stands fully behind the sanctions and strongly condemns the Russian invasion of Ukraine. We welcome the excellent coordination within the EU as well as with the US and other partners and stress that business is united in its determination to work with EU leaders for peace and prosperity.

The restrictive measures applied are unprecedented in terms of size and complexity. At the time of writing the EU had introduced five packages of sanctions, in close cooperation with international partners, including: import and export bans; shipping and haulage bans; individual listings of people and entities; financial sector sanctions; energy sector sanctions; airspace and transport sector; dual-use goods and advanced technology items; visa measures; and sanctioning disinformation actors.

In response, Russia has introduced various measures on “unfriendly countries”, including allowing the use of patents without consent or royalties, making provision for the seizure of property, and prohibiting the export of some goods and equipment such as telecommunications technology, medical equipment, vehicles, agricultural machinery, and electrical equipment.



Ukraine:

EU measures in response to the Russian invasion of Ukraine



Trade sanctions

The EU has introduced significant sanctions and restrictions affecting trade in goods including import bans on luxury goods, wood, cement, fertilisers, seafood, liquor (€5.5 bn per year), and removing quotas for Russian and Belarusian steel products (€3.3 bn per year). In addition, the EU, together with other WTO members, agreed to deny Russian products and services most favoured nation treatment in principle. This has no immediate impact but sends a strong signal whereby trade restrictions can be implemented swiftly. The EU has introduced wide-ranging restrictions on high-tech exports (€10 bn per year) including quantum computers, advanced semiconductors, sensitive machinery and transport equipment.



Transport restrictions

The EU, US, UK, and Canada have all closed airspace to Russian planes. The EU and UK have introduced an export ban on goods and technology in the aviation and space industry, as well as a prohibition on the provision of insurance and reinsurance and maintenance services related to those goods and technology. This ban degrades one of the key sectors in Russia's economy and its connectivity, as three quarters of Russia's current commercial air fleet were built in the EU, the US and Canada. On 8 April, the EU introduced a full ban on Russian-owned and -operated vessels from EU ports as well as on Russian and Belarusian road transport operators from the EU with some exemptions for essential goods.



Financial Sanctions

The EU, US, and UK have introduced targeted restrictions on large Russian financial institutions with the aim of impacting Russia's access to capital markets, its financial system, and wider economy. The EU has excluded key Russian banks from the SWIFT international payment system and introduced wide-ranging restrictions on investments in and with Russia affecting the Russian Government, Central Bank, and certain state-owned enterprises. In the fifth package of EU sanctions, Russian companies were excluded from public procurement in EU member states and financial supports from EU governments. EU entities and governments may no longer participate in all ongoing grant agreements with Russian public bodies or related entities.



Energy sanctions, restrictions and plans to diversify

On 8 March, the Commission presented a framework plan to phase out dependence on Russian fossil fuels before 2030, enhance energy security, respond to rising energy prices and to replenish gas stocks for winter 2022-23. RePowerEU sets out plans to diversify Europe's gas supply, increase biomethane and renewable hydrogen production, increase gas storage levels, enable the use of renewable energies, and limit the effect of gas prices on the EU's electricity market among a broad range of proposals to radically change Europe's approach to energy. At the informal European Council in Versailles on 10-11 March, member states agreed to phase out the dependency on Russian gas, oil and coal imports as soon as possible, and invited the Commission to present a plan to ensure security of supply and affordable energy prices as well as to propose a more detailed RePowerEU plan in May.

On 25 March, the EU and US announced the immediate establishment of a joint Task Force on Energy Security based on the objectives of RePowerEU. This agreement includes the goal to terminate EU dependence on Russian fossil fuels by 2027. In support, the US will strive to provide additional LNG volumes of at least 15 billion cubic metres in 2022 or around 10% of the 155 bcm of gas imports from Russia each year. The EU has commitment to ensuring stable demand until at least 2030 of approximately 50 bcm per annum with a price formula that reflects long-term market fundamentals.

The EU has taken direct actions on Russia including prohibiting the sale, supply, transfer, or export to Russia of specific goods and technologies in oil refining and introduced restrictions on the provision of related services. The US and EU have banned new investment in the Russian energy sector with limited exceptions. The US has banned imports of the following Russian fossil fuels. The UK will phase out imports of Russian oil by the end of the year and established a new joint taskforce with industry to transition away from dependence on Russia fossil fuels. The EU has introduced an import ban on Russian coal (€4 bn per year) and is considering including restrictions on Russian oil imports in the next sanctions package. At present, the EU is not considering a ban on import of Russian gas.




Temporary Crisis Framework

On 23 March, the EU adopted the Temporary Crisis Framework which complements the existing State aid toolbox with many other possibilities already available to Member States, such as measures providing compensation to companies for damages directly suffered due to exceptional circumstances, and measures outlined in the Commission Communications on energy market developments.

The new Framework will enable Member States to (i) grant limited amounts of aid to companies affected by the current crisis or by the related sanctions and countersanctions; (ii) ensure that sufficient liquidity remains available to businesses; and (iii) compensate companies for the additional costs incurred due to exceptionally high gas and electricity prices. As regards trade finance, Member States can provide support for short-term export credit to Ukraine since it has a non-marketable risk.

Midpoint in the EU institutional cycle

A photograph of Roberta Metsola, President of the European Parliament, speaking at a podium. She is a woman with long blonde hair, wearing a dark blue blazer over a white shirt. A small European Union flag pin is visible on her lapel. The background features the European Union flag with its characteristic blue field and yellow stars.

At the midpoint in its term, **the European Parliament voted in January to elect Roberta Metsola MEP (EPP, Malta) as President** by 458 votes, replacing David Sassoli MEP (S&D, Italy) who suddenly passed away in January. Roberta Metsola is the first Maltese President and the third woman to hold the position. She was elected with the support of the centre-right EPP, centrist Renew, and centre-left S&D. Metsola was first elected to the EP in 2013 and was subsequently re-elected in 2014 and 2019. She was elected first Vice-President in November 2020, replacing Mairead McGuinness following her appointment as European Commissioner.

The President has limited powers that are mainly procedural including as the speaker of the house and lead representative to the other EU institutions. However, considering her influential role in the EPP group in the EP since 2013, she is expected to have a leading role in broader EPP policy in the Council and Commission. In her nine years as an MEP, she has supported the EPP position on 95% of all votes, in line with the average for all current MEPs, supporting her image as a centrist, pro-EU, and pro-enterprise politician.



Emmanuel Macron, President of France

The French Presidency of the Council of the EU, the first in a trio of Presidencies with the Czech Republic and Sweden, is taking place at a decisive moment for the EU's political direction. At the mid-term of this institutional cycle, France is coordinating the Council's positioning and leading negotiations on key files for the EU's digital and green twin transition as well as social policy.

Despite coinciding with the French Presidential election, the priorities of the French Presidency reflect an ambition for 'more Europe'. On current legislation, France has pushed an agenda for 'a more sustainable growth model', prioritising sealing early interinstitutional agreement on key digital files, such as the Digital Services Package, and social files like the minimum wages Directive. Likewise, it has focussed on advancing Council negotiations on its key interests in the Fit for 55 package, emphasising the importance of the Carbon Border Adjustment Mechanism, Emissions Trading Scheme revision and Social Climate Fund.

In international relations and trade policy, France has significantly developed its 'strategic autonomy' agenda. With the backdrop of the Russian military aggression in Ukraine and the COVID-19 pandemic, France's calls for enhanced European cooperation on security and defence, migration, and health have succeeded. While ongoing high and rising energy prices, supply chain issues, raw material shortages, among other issues, have aided the broadening of 'strategic autonomy' to a wider range of policy areas.

At the same time, France's Presidency coincides with the planned culmination of the **Conference on the Future of Europe**. While evolution of the initiative beyond engaging citizens has not been clarified, its conclusions under France's leadership could provide the basis for significant political and policy change beyond the European Parliament elections in May 2024.

EU-US

EU-US Trade and Technology Council

The EU and US will hold their next Trade and Technology Council meeting on 15-16 May in France. The meeting brings together Commission Executive Vice Presidents Margrethe Vestager and Valdis Dombrovskis alongside US Secretary of State Antony Blinken, Secretary of Commerce Gina Raimondo, and Trade Representative Katherine Tai.

US officials have framed the Council as a way to respond to China, while EU officials have said China is a factor in the talks, but not a target. The EU and US are likely to shift focus to export controls to acknowledge the work accomplished in imposing sanctions on Russia instead of offering more concrete results at the next meeting according to media reports. Additionally, Commission Executive Vice President Valdis Dombrovskis had said shortly after the first Council meeting last September that he was hoping for EU-US coordination on export controls with a substantive outcome at the second meeting.

EU-US Data Flows

On 25 March, the EU and US reached an agreement in principle on a successor to the Privacy Shield Framework to enable trans-Atlantic data flows almost two years after they began negotiations on the matter. These discussions took place outside the framework of the EU-US Trade and Technology Council.

US President Biden said the new agreement “underscores our shared commitment to privacy, to data protection, and to the rule of law, and it’s going to allow the European Commission to once again authorize transatlantic data flows that help facilitate \$7.1 trillion in economic relationships with the EU”. The US and the EU, he added, are finding “creative, new approaches” to collaborate economically, just as they did last year with a resolution to a nearly two decades old Boeing-Airbus dispute and a deal on US Section 232 tariffs on steel and aluminium.

Commission President von der Leyen outlined that the new deal will ensure “predictable and trustworthy data flows” while safeguarding privacy and civil liberties. She added that “this is another step in... strengthening our partnership” and “we managed to balance security and the right to privacy and data protection.”

The two sides may need several months to finalise the provisional agreement, an EU official familiar with the negotiations said. Any new agreement could face renewed challenges in court.

Global Supply Chains

Transport and logistics


Successive shocks illustrate the importance of building a more resilient European economy to buffer the secondary effects of the Ukraine crisis which include inflation, energy and raw material price increases, supply shortages and supply-chain disruptions. The European Commission has been monitoring supply chain disruptions, with a specific focus on critical raw materials, to support companies most affected by the war. Outreach to stakeholders including business, Member States, and other EU Institutions has allowed them to collect and exchange information on the challenges faced by EU businesses and to follow up with quick, operational actions.

Global supply chains pressures

More than a million containers set to travel by rail from Western Europe to Eastern China via Russia are now having to find new routes by sea, increasing costs and worsening global supply chain challenges. Exporters and logistics firms want to avoid land routes passing through Russia or the combat zone. Security risks and payment hurdles from sanctions are rising, as is wariness that European customers could boycott products that used Russian rail. The conflict is adding to congestion at some of the biggest ports, putting further pressure on global supply chains that are still facing labour shortages. Additionally, a wave of COVID-19 infections in China has led authorities to tighten controls, along with mass testing of workers and drivers.

The WTO

12th WTO Ministerial Conference




The 12th WTO ministerial conference (MC12) will be held from 12-15 June in Geneva. WTO Members did not see the Russia-Ukraine conflict as a reason to delay MC12 again, with a few suggesting that the crisis underlines the need for a forum to deliver on some of these issues, an official said. Separately, the WTO chair noted “the desire of members that MC12 be a streamlined, business-like conference”.

The likely priorities for the ministerial will include the e-commerce moratorium, a pandemic response package

and WTO reform. Although there is no agreement reached on any of these items yet with discussions ongoing. Some delegations urged members to finalise the pandemic response package ahead of MC12. The package is expected to include both a decision on the proposed waiver of some WTO intellectual property protections and a collection of best practices on trade-related aspects of the pandemic, like trade facilitation, export restrictions and international cooperation.

EU-China

EU-China Summit



The EU-China summit took place virtually on 1 April, relaunching the official political dialogues between the EU and China that had been put on hold since the sanctions in March 2021. President of the European Council, Charles Michel, and President of the European Commission, Ursula von der Leyen, accompanied by High Representative Josep Borrell, representing the EU, met Chinese Prime Minister Li Keqiang and Chinese President Xi Jinping. The sides discussed Russia's military aggression against Ukraine as well as the single market,

COVID-19 recovery, trade, climate change, digital economy, human rights, and foreign affairs.

On trade, the EU outlined the need to address long-standing concerns related to market access and the investment environment in China, with the view to ensuring a balanced trade and economic relationship. EU and Chinese leaders mandated the high-level trade and economic dialogue to find concrete ways to make progress on these issues before the summer restrictions and international cooperation.

EU Member States Overview



*Olaf Scholz,
Chancellor of Germany*

Germany

A new era as German Chancellor Scholz announces major policy shift

In the wake of Russia's invasion of Ukraine, the German Bundestag convened for a special session on 27 February 2022. German Chancellor Olaf Scholz announced new defence measures that reflect a historic shift in German foreign policy.

Scholz announced an increase in defence spending, aiming to exceed the NATO target of 2% of gross domestic product. The German Government committed a further €100 billion to defence spending from their budget for 2022. An extraordinary shift in German foreign and defence policy, Germany will be the largest defence spender in Europe with their planned increase in investment.

A decisive moment for German leadership as Scholz's announcement reflects a movement away from a perceived pacifism associated with German foreign and defence policy. Germany's decision to supply the Ukraine with anti-tank weapons and surface-to-air missiles reflects a further reversal of policy as they have traditionally refused to provide weapons to conflict zones.

Germany has also targeted energy security as a priority to address their large dependence on imports. Germany halted the certification of the \$11 billion Nord Stream 2 gas pipeline project and Robert Habeck, Vice Chancellor of Germany, said that government is working to eliminate Russian coal by the summer and Russian oil by the end of 2022.



Emmanuel Macron, President of France

France

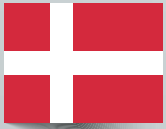
French presidential election April 2022

On 24 April, incumbent Emmanuel Macron was reelected President of France for a second five-year term. Macron was first elected in 2017 having founded La République En Marche! in 2016, considered liberal, centrist, and pro-European. Macron is the first president to secure a second term since Jacques Chirac in 2002.

Following his victory in the first round, President Macron received 58.5% of the vote compared to 41.5% for National Rally leader Marine Le Pen in the second-round run-off. Macron also faced Marine Le Pen in the second-round run-off during the election in 2017 and gained 66% of the vote.

Although second Presidential terms are often considered limiting in nature, Macron pledged further tax cuts and increased investment in emerging industries in his campaign letter to the French public. Macron's letter also demonstrates his intention to continue building a stronger Europe if elected.

Global affairs loomed large in the run-up to the election in the context of the Russian invasion of Ukraine and Macron's pro-European agenda while the legacy of COVID-19 and its economic impacts pressed on the minds of voters and was a centerpiece of Le Pen's campaign.



Denmark

Denmark to hold a referendum on opt-out from EU defence pact

Denmark obtained four EU exemptions in 1993 following the Danish public's initial rejection of the Maastricht Treaty: The Euro-opt out, Common Security and Defence Policy (CSDP), Justice and Home Affairs, EU citizenship. A referendum to decide whether to join the EU's defence pact will take place on 1 June 2022 in Denmark following the Ukraine invasion by Russia.

The Prime Minister of Denmark, Mette Frederiksen, urges the public to vote to remove the opt-out and allow Danish involvement in EU defence policy. Frederiksen referred to a new reality in Europe following Putin's invasion of Ukraine.

Frederiksen intends to increase defence spending to align to the targeted spending of 2% of GDP by NATO members by 2033. Frederiksen also referred to the agreement among the main parliamentary parties that Denmark's dependence on Russian gas should end "as soon as possible".

Denmark's decision to hold a referendum on EU defence policy is reflective of the wider debate over EU security and defence that has gained momentum due to the Russian invasion of Ukraine.



Mette Frederiksen
Prime Minister of Denmark



Hungary

Hungary's general election April 2022

The Hungarian general election took place on 3 April to form the National Assembly. The parliament of Hungary is the Hungarian National Assembly, made up of 199 members that are elected to a four-year term. Viktor Orbán, leader of the Fidesz party, has served as prime minister since 2010 and he has won re-election with a large majority.

The Fidesz party gained two seats to secure 135 seats. United for Hungary, the opposition coalition of six parties led by Péter Márki-Zay, secured 56 seats. Our Homeland hold 7 seats and Ethnic Germans have 1 seat.

The Hungarian leadership has in recent years been the subject of concern in the EU over issues such as democratic backsliding and the 'rule of law'. In February, following complaints by Hungary and Poland, the European Court of Justice ruled that EU funding can be withheld from member states that do not meet democratic standards. With the re-election of Orbán and the Fidesz party, it is expected that disagreements over democratic standards and the 'rule of law' will persist.

Conference on the Future of Europe

The Conference on the Future of Europe has brought together citizens, stakeholder groups and civic society to share their ideas and views on the EU. As a public forum, the Conference has a number of channels through which citizens from across Europe can participate, interact and have their ideas known. These include a Multilingual Digital Platform, European Citizens Panels and Conference Plenaries attended by national citizen and parliament representatives as well as representatives of the EU institutions.

In Ireland, there have been a number of 'town-hall' meetings including in such places as Dublin, Cork and Donegal, among others, bringing together citizens and civic society in open forums.

The Conference will come to a close within the first half of 2022, with the conclusion communicated to the Joint Presidency and the development of actions on Europe's future, in accordance with the treaties, to be the task of the EU institutions.

Although the Conference has not reached conclusion, it is expected that given the scale of the exercise and its importance as an initiative for the European Commission, significant policy change will arise in certain areas. Many of the conversations have touched on the possibility of the EU doing more in certain areas, such as social policy. It is likely that the effect of such a large-scale cross-community citizens participation exercise will mean further democratic exercises at an EU level, such as potential transnational candidates



*Thomas Byrne,
Minister of State for
European Affairs*

Ibec continues to engage with Minister of State for European Affairs Thomas Byrne, most recently through the platform of our virtual live broadcast from the European Parliament in Brussels, where we discussed the priorities of Irish business internationally as spelled out in our campaign Stronger Europe, Stronger Ireland.

As Europe reflected on its priorities in the aftermath of Brexit and amid the COVID-19 pandemic and launched the large-scale citizen participation initiative of the Conference on the Future of the EU, the role of Minister of State of European Affairs in Ireland has been essential to highlighting the country's key messages and concerns in Europe and in helping to shape new alliances and friendships.

Thomas Byrne TD of Fianna Fáil became Minister of State for European Affairs in 2020. Byrne was first elected TD in 2007 and became a Senator in 2011 before being returned to the Dáil in 2016. Prior to his election as TD, Byrne was a solicitor. Byrne has previously been Government Convener of the Irish Parliament's Joint Committee on Social Protection and Joint Committees on Justice and Defence, European Affairs and Finance.

As Minister of State for European Affairs, Byrne has been active in supporting Ireland's contribution to the Conference on the Future of Europe, as well as building relationships and alliances with other member states in the absence of the UK.

Engineering Industries Ireland

Ireland a global engineering centre at the forefront of the EU's green and digital transition



Engineering Industries Ireland, the 40th Ibec Trade Association, launched in late 2021, is the voice of members driving manufacturing growth and is involved in engineering and supply chain activities across automotive, energy and environment, construction and agriculture as well as core elements of the sub supply including machinery and equipment markets, paper and printing as well as basic and fabricated metals.

The engineering industry in Ireland supports over 50,000 jobs and has exports of €8 billion annually.

Engineering Industries Ireland's strategy for 2022-2025 envisions Ireland as a global engineering centre of excellence with an influential voice both nationally and internationally in shaping policies for a sustainable future. The strategy identifies key areas of influence for the sector as innovation, sustainability, people and regulation.

On international policy, the strategy outlines that Ireland's engineering industry, both homegrown and multinational, will use its global significance to influence international standards. The digital and green transitions, two key regulatory areas for the European Union in the present institutional cycle, are both growth enablers and areas for the engineering industry to have its say on.

Engineering Industries Ireland plans to work internationally to:

- Influence standards in innovation and new digital technologies such as AI.
- Lead in the circular economy and on climate neutral manufacturing.
- Support the engineering sector in targeting sustainable grants for investment and innovation activities using the EU's taxonomy for sustainable activities.
- Lobby the Irish Government for environmental sustainability related incentives and supports for business.
- Examine potential for sources of EU funding in advancing environmental sustainability. Provide opportunities for local and global sustainable sourcing.
- Create national and international B2B linkages between small and large engineering businesses.
- Educate on new legislation at Irish and EU level and share best practice across engineering sectors.



Engineering Industries Ireland
ibec

Ibec and D9+ allies deliver joint statement to EU governments in Prague



As part of our refreshed Stronger Europe, Stronger Ireland campaign, Ibec and its European partners met with D9+ Ministers in Prague on March 29. Key business priorities included support for further trusted innovation and international co-operation by the EU with likeminded partners on digital.

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As previously [reported](#), Ibec is working with key business federations across the D9+ countries in an informal likeminded alliance (the B9+). The core aim of the B9+ is to support the work of the D9+. The D9+ is an informal group of Ministers representing digitally advanced and likeminded Member States who support Europe's digital transition. They represent 35.9% of nominal EU GDP, for a combined value of €4.8tn in GDP. The D9+ countries include Belgium, Czech Republic, Denmark, Estonia, Finland, Ireland, Luxembourg, Netherlands, Poland, Portugal, Spain and Sweden.

A B9+ delegation, including Ibec, outlined a joint industry statement at their meeting with D9+ Ministers, hosted by the Czech Government. The meeting was chaired by Ivan Bartoš, Deputy Prime Minister for Digitization, and Petr Očko, Deputy Minister of Industry and Trade, Czech Republic. Minister Robert Troy represented Ireland.

Core elements of the B9+ joint statement include:

- Deep concern regarding the war in Europe and how it shows the importance of cooperation with likeminded partners, who share the same values, to address our common current and future challenges.
- Support for the valuable contributions that the Ministers are making at home and collectively as the D9+ and encourages further digital leadership by the D9+ at EU level.
- Recommendations on intensifying the momentum on Europe's Digital Decade initiative and furthering trusted innovation in AI and data.
- Encouragement to the EU in intensifying work with likeminded partners to lower global barriers to further digital trade and innovation, including:
- Support for leveraging the EU-US Trade and Technology Council (TTC), which has a fundamental role to play to coordinate approaches to key global trade, economic, and technology issues and business has a crucial role to play in this regard.
- Support for the political agreement in principle on transatlantic data flows. The EU and US were encouraged in their ongoing efforts to finalise a revised and resilient framework addressing privacy issues and the needs of modern digitalised business big and small.

The full B9+ joint statement may be accessed [here](#).

A Chair's summary of the D9+ Ministerial meeting and a press release from the Czech Government are available [here](#). The summary includes welcome support for the TTC and expresses support for the involvement of stakeholders to discuss the possible areas for digital cooperation between the EU and the US. This D9+ Ministerial meeting is also significant, in taking place just three months before the upcoming Czech Presidency of the Council of the EU. The next D9+ meeting is expected to be hosted by Spain.

Negotiations on the ‘Fit for 55’ package continue

As part of our refreshed Stronger Europe, Stronger Following the inauguration of the current European Commission in 2019, the European Green Deal has been a cornerstone of its overarching policy programme. A central element has been the ‘Fit for 55’ package, proposed in July 2021. The landmark package consists of a set of legislative proposals to actualise the EU Climate Law’s commitment to reduce greenhouse gas emissions by 55% in 2030 towards carbon-neutrality in 2050 based on 1990 levels.

Nine months on from the Commission’s proposals, the negotiations on the individual files within the package continue. The French Presidency of the Council of the EU officially aims to reach General Approaches on all files by the end of its tenure in June. Due to the impact and response to the Russian invasion of Ukraine and the French presidential election, the Council has narrowed its focus to the proposed revision of the EU Emissions Trading Scheme (ETS), the Carbon Border Adjustment Mechanism (CBAM) and Social Climate Fund (SCF).

In parallel, the European Parliament is advancing its positions on the package and is expected to vote on negotiating mandates on the ETS, CBAM and SCF in June. This would facilitate the beginning of interinstitutional negotiations under the Czech Presidency from July with the aim of finalising the first set of eventual laws towards the end of 2022 or early in 2023. The policy measures proposed on transport, including the Alternative Fuels Infrastructure Regulation and proposals on maritime and aviation fuel, are expected to advance following the summer break.

Despite the short time remaining in this mandate, the European Commission is continuing to make significant new proposals. In February, the Commission presented its long-anticipated proposal for an EU Directive on Corporate Sustainability Due Diligence. Stemming from commitments in the UN Sustainable Development Goals and the European Green Deal, it aims to introduce an EU-wide value chain due diligence regulatory framework that would require businesses to identify, prevent, end and / or mitigate actual, and potential adverse human rights and, environmental impacts in their operations, subsidiaries and established business partners.

Ibec, on behalf of members across all sectors, continues to engage with our EU stakeholders to ensure to advance the priorities of Irish business. Ibec is leading the promotion of a more sustainable means of production, consumption, land use and transport consistent with a net zero ambition. Through our ongoing campaigns, ‘[Better Lives, Better Business](#)’, ‘[Ireland: Towards a Model of Sustainable Substance](#)’ and ‘[Stronger Europe, Stronger Ireland](#)’, Ibec is advocating domestically and internationally to enhance sustainability.



Stronger Europe, Stronger Ireland

New Ibec EU campaign calls for outward-looking approach as Ireland reaches 50 years of membership



1. An EU that is focused on its strengths and competitiveness



2. An EU that leads an inclusive and innovative digital decade



3. An EU that puts sustainability at the heart of our prosperity



4. An EU that is open for trade and investment

As Ireland reaches a milestone 50 years of membership of the EU, support for EU membership remains as high as it was at accession. Evidence of the benefits of membership is clear: Ireland's once protectionist, uncompetitive economy has been transformed to a resilient, outward-looking hub for global business.

EU trading relationships and dynamic trade policy, along with single market membership and access to European funds has reshaped Ireland's economy. As our Stronger Europe, Stronger Ireland campaign outlines, now at the precipice of so much change, with Brexit, COVID-19 and the realignment of supply chains and trading relationships due to global crises, Ireland should use its net contributor status to call for greater ambition on the EU policies which shape our competitiveness, particularly in relation to the single market, digital, green and social affairs. Stronger Europe, Stronger Ireland provides numerous recommendations for each.



Ibec EU and International campaigns, events and activities



Danny McCoy, Ibec CEO, presents Ibec campaign Stronger Ireland, Stronger Europe with Commissioner Mairead McGuinness, Ibec President Frank Gleeson, Aramark and Board Member Edel Creely.

Virtual campaign launch with Commissioner McGuinness

Ibec re-launched the latest iteration of this EU & International campaign, now titled 'Stronger Europe, Stronger Ireland', in February, with a virtual event featuring Commissioner for Financial Services, Financial Stability and Capital Markets Union Mairead McGuinness, Ibec CEO Danny McCoy, Ibec President and CEO of Aramark Frank Gleeson and Chair of Ibec's EU Affairs & Trade Policy Committee Edel Creely.

Ibec's rebooted campaign comes at the midpoint in the EU's current institutional cycle, a time when many of the key elements of its agenda are being forged by the inter-institutional decision-making process, as well as a crucial point in the EU's history as it celebrates 30 years of the Single Market.

Ibec leveraged the opportunity of the campaign launch to call on the EU to pursue an open, outward-looking and pro-enterprise approach to trade, single market policy and in its general outlook. An era of crises such as Brexit, COVID-19 and the conflict in Ukraine should not cause the EU to become inward-looking. Though the campaign was published in advance of the conflict in Ukraine, the issues addressed are of even greater relevance now in encouraging the EU to enhance global relations, particularly with partners such as the US and through mechanisms such as the EU-US TTC, to respond to crises with a global dimension and to take an 'open' approach when pursuing agendas to secure Europe against external threats.

The campaign outlines a number of key features of Ireland's EU membership in 2022, notably, the consistently high endorsements nationally in Eurobarometer surveys and the transformative effect of the trading relationships we have developed through the EU which have positively reshaped Ireland's economy.

We call on Ireland to leverage the good will and strong position as a net contributor to pursue policies which fit Ireland, such as an enabling digital agenda and an outward-looking, ambitious trade policy.



Séan Kelly MEP and Danny McCoy, Ibec CEO speak with Commissioner Mairead McGuinness.

Ibec and Seán Kelly MEP host virtual engagement live from European Parliament

Ibec was pleased to mark St. Patrick's Day in association with Seán Kelly MEP once again this year, following two years of COVID-19 restrictions.

This year the European Parliament in Brussels hosted a joint live broadcast from Ibec and Seán Kelly MEP. Using our Stronger Europe, Stronger Ireland campaign as a basis for our EU and International messaging, Ibec CEO Danny McCoy engaged with President of the European Parliament Roberta Metsola, Commissioner for Financial Stability, Financial Services and Capital Markets Union Mairead McGuinness and Minister of State for European Affairs Thomas Byrne.

The contributors offered insights into issues raised in the Stronger Europe, Stronger Ireland campaign, such as the EU's focus on green and digital policy. The main issue of discussion were the sanctions on Russia in response to their actions in Ukraine. President Metsola addressed this further in her contribution, highlighting the role Europe and European solidarity can play in helping those fleeing the conflict in Ukraine.



Séan Kelly MEP, Danny McCoy Ibec CEO and Minister of State for European Affairs Thomas Byrne

An Ibec campaign - Towards a Model of Sustainable Substance



Economic transformation

The Irish business model has radically evolved over many decades, transforming itself from an economic backwater into one of the world's richest and most globalised economies.

The Irish economy has depth and diversity, from R&D to high value manufacturing, all operating in an environment and enterprise culture that generates indigenous firms of international scale and is a leading hub for many of the world's largest businesses. Set against a backdrop of favourable demographics, Ireland's business model is one of considerable substance and diversity.

Despite recent challenges, Ireland's model of a business-friendly, open economy within Europe has proved resilient, attracting high levels of inward investment from overseas. Over the last ten years, Ireland has moved to being a model of substance with exceptional levels of investment and prosperity by any benchmark.

Indeed Ireland has arrived at a new level; the challenge is now one of retention of our place as a prosperous nation as opposed to aspiration as it was for previous generations.

Emerging challenges

In the past decade Irish businesses and households have experienced three 'once in a lifetime' events - one of the largest financial and fiscal crises in the history of the developed world, the exit of our nearest neighbour and traditionally significant economic partner from the EU, and the worst global pandemic in a century.

Because of these phenomena and other changes at home and abroad, our business model is now at a crossroads. In previous decades our State and business community worked to help us catch the wave of globalisation, the defining trend of the last seventy years. We will need to show the same ambition and forethought to retain our status as a rich country in the face of emerging global trends.

These global trends present a unique opportunity for the Irish business model to further evolve. Ireland has strong credentials in agility and redefining itself in changing global circumstances. It has fine-tuned its growth model in the past, tapping into demand trends and evolving from basic manufacturing into sophisticated innovation – it now needs to use these attributes for reinvention for this exciting next phase.

At the heart of this next phase will be to ensure that future growth is sustained and sustainable.

Towards a model of sustainable substance

Developing a model of sustainable substance will be the acid test of Ireland's success over the next decade. It will require both our business model to evolve and succeed over time and for our economy to be a global leader in embracing the opportunities provided by the evolution from shareholder to stakeholder capitalism.

This journey is underway, with a growing movement within Ibec members and business globally increasingly considering the impact of their operations, not just in terms of maximising returns but in generating returns in a way which balances economic, environmental, social and governance (ESG) goals.

Being connected to broader goals when defining our competitiveness mission is becoming central to the operation of business in this new ESG-conscious environment, characterised by a growing sense of responsibility within companies themselves, from employees to management teams. These shifts are driven not just by high-mindedness but will be critical in determining an Ireland that underpins a more sustainable business model and natural environment, and by extension, a more sustainable society.

To discover more about Ireland's move towards a model of sustainable substance, head to:
www.ibec.ie/sustainablesubstance

Ibec engagements with USA stakeholders in New York and Washington

An Ibec delegation including President Frank Gleeson, President and CEO of Aramark Northern Europe, CEO Danny McCoy, Executive Director of International Business Jackie King and Director of EU and International Affairs Pat Ivory, attended a programme of events in New York and Washington DC in March. This was part of Ibec's overall St. Patrick's Day programme.

As well as celebrating Irish-US relations, the visit, the first in-person engagement Ibec has had for St. Patrick's Day in the US in two years, covered crucial topics for Irish business such as improved EU-US trading relations and various issues such as transatlantic data flows and tariffs, the all-island economy and the EU-UK TCA.

A number of key engagements took place as part of the St. Patrick's Day programme including Ibec's business dinner in Washington DC to which we welcomed 100 international business leaders and USA stakeholders. Ibec President Frank Gleeson

spoke about Ibec's [Ireland: Towards a Model of Sustainable Substance](#) campaign, highlighting the evolution of the Irish business model on the framework of an open, globalised economy. Ibec CEO Danny McCoy also welcomed the guests and addressed the gathering.

The Ibec delegation met with Congressman Richie Neal, who was first elected to the United States House of Representatives in 1988. At the beginning of the 116th Congress, Richie Neal became Chairman of the House Ways and Means Committee. The Ibec delegation also met with Jayme White, Deputy United States Trade Representative. Mr. White has served in the US Senate since 2009, including as the chief trade advisor for the Senate Committee on Finance since 2014. Ibec also engaged with the US Department of Commerce, the US Chamber of Commerce, and the National Association of Manufacturers (NAM).



Pat Ivory, Ibec, with Marion Jansen, OECD Trade Director and Chris Barnes, Director, Trade Policy and International Relations, Australian Chamber of Commerce and Industry

Business at the OECD (BIAC)

Pat Ivory, Ibec's Director of EU & International Affairs, attended a number of engagements with the both the BIAC and OECD's Trade Committees in early April at plenary in Paris.

As BIAC Trade committee Chair, Ibec's Pat Ivory is the committee spokesperson to the OECD trade leadership and governments.

The ongoing conflict in the Ukraine and the sanctions on Russia were a subject of discussion, particularly their impact on global supply chains. The crisis has led to business uncertainty, higher energy prices, inflationary pressures and reduced economic output.

Along with this discussion, Pat outlined BIAC support for the OECD work in trade in the digital era, supporting data flows with trust, services trade and potential to boost the pandemic recovery, trade and sustainability liberalisation of trade in environmental

and low carbon goods and services and levelling the playing field to help establish fair competition with important strategic competitors.



Pat Ivory, Ibec with Chris Barnes, Director, Trade Policy and International Relations, Australian Chamber of Commerce and Industry



Pat Ivory, Ibec, speaking to the OECD Trade Committee in his capacity as Chair of BIAC's Trade Committee

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