

An Taoiseach
Micheál Martin TD
Government Buildings
Merrion Street
Dublin 2

06 December 2021

Re: Urgent need for reinstatement of EWSS payment levels during current restrictions period

Dear Taoiseach,

I am writing to you in relation to the disruption and substantial loss for businesses being experienced by our members as a direct result of Government's latest Covid restrictions and messaging. Businesses in the hospitality and events sectors have clearly taken a heavy hit to their bookings for the festive period, but knock-on impacts spread right across the *Experience Economy* and in adjacent transport sectors are hurting businesses and workers throughout the supply chain.

It is therefore very clear to us that repurposing of the Covid Restrictions Support Scheme (CRSS) alone will not be sufficient as a business support response to the current challenge and a full restoration of the Employer Wage Subsidy Scheme (EWSS) is the most effective and fair policy response.

We know from our experience of working with business over the past 21 months of the Covid crisis, that the EWSS support is highly effective in targeting supports at firms experiencing significant turnover collapse, of at least 30%, across every sector of the economy. From its inception the scheme took time to bed-in, which involved months of close contact between Ibec and the Revenue Commissioners to identify gaps in the scheme, optimise scheme operations and deliver clarifications needed in guidance.

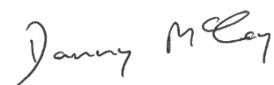
It doesn't make sense at this stage of the crisis to attempt to start from scratch by redesigning schemes which may ultimately fail to support firms, in whatever sector, which continue to carry the burden of Covid restrictions. The EWSS is the proven and effective scheme which has been shown to deliver much needed liquidity and support to impacted businesses in a very timely way. Crucially, it has also kept employees connected with their employers and helped the *Experience Economy* to retain workers at a time when the competition for skills across the economy has been particularly acute.

We know from the recent economic data that the budget deficit for 2021 is now likely to be about €10 bn less than was expected in the Spring. Many businesses in the economy are clearly performing very strongly and are generating exceptional revenue levels to help fund the State. Government supports throughout the Covid crisis have been highly effective in supporting impacted businesses and we see no logic, fiscal or otherwise, for curtailing these supports at a time when additional restrictions have been introduced. Ibec will continue to support the phased withdrawal of these schemes when restrictions are significantly removed as we have in recent months, however, that time is not now given the reintroduction of Covid related restrictions.

I would urge you to continue the good work that your Government has done in supporting business and employees throughout the pandemic and not to change tack now at a time when the resilience of those carrying the greatest economic impact of Covid is being severely tested. The most effective and fair economic response to the latest Covid related challenge is to immediately restore the EWSS payment levels for all businesses experiencing the negative trading impacts.

I look forward to hearing from you on this important and urgent issue.

Yours sincerely,



Danny McCoy CEO

CC: Leo Varadkar, Tánaiste and Minister for Enterprise, Trade and Employment
Minister Eamon Ryan, Department Climate Action, Communication Networks and Transport
Minister Paschal Donohoe, Department for Finance
Minister Michael McGrath, Department for Public Expenditure and Reform
Minister Heather Humphreys, Department for Social Protection
Minister Catherine Martin, Department for Tourism, Culture, Arts, Gaeltacht, Sport and Media