



CEA Annual Conference, King's Inns
Address by Declan Hughes, Secretary General
Department of Enterprise Trade and Employment
Thursday 17th October 2024

Good morning, Ladies and Gentlemen, Honourable Members, it is a privilege to be here with you today, in the wonderful surroundings of King's Inns.

I want to start by thanking Ian and all the team at the CEA for organising this second annual conference.

I know you had the opportunity earlier this morning to hear from Minister of State for Trade Promotion, Digital and Company Regulation, Dara Calleary TD, who I, and all the team at the Department of Enterprise Trade and Employment work closely with. Minister Calleary spoke about the significant journey that the CEA has engaged upon since its establishment in July 2022. It gives me great pleasure to see how the CEA has developed in such a short time navigating all the challenges of establishment.

I want to recognise the strong working relationship between the CEA and Department officials who have been with the CEA along each step of the journey. Leading an organisation is all consuming - at once fulfilling and yet also challenging. It requires strong ambition, dedication and unyielding determination, and I know that we are all fortunate in the strong leadership provided by Ian Drennan for the CEA.

I think this second annual conference is evidence of the progress made in establishing the CEA's presence as a trusted source of impartial information and as a credible actor and source of influence on the enforcement landscape.

Overview of Speech

And speaking of dedication I know how busy all of you in this room are and the commitment required to take time away from your busy schedules, so I want to play my part in ensuring that your time has been valuably invested this morning.

My intention is to provide you with a high-level overview of enterprise policy from both an EU and domestic perspective. And through that I will also speak more about some of the work we do in the Department of Enterprise, Trade and Employment.

Department of Enterprise Trade and Employment

As a Department our overall aspiration is to make Ireland the best place to succeed in business across all parts of our country, with vibrant enterprises, more high-quality employment, growing trade, fair workplaces and higher productivity.¹

To do this we have a budget of €1billion for 2025 and approximately 1,000 staff. My Department is assisted in delivering its goals through the work of the six offices and eight agencies under its aegis, which include Enterprise Ireland, IDA Ireland and the 31 LEOs, and the Workplace Relations Commission and the Labour Court and regulatory bodies such as the CEA and the Competition and Consumer Protection Commission, IAASA, the Health and Safety Authority and Injuries Resolution Board.

Enterprise Policy and Company Law

A key goal of my Department's Statement of Strategy 2023 - 2025 is to *enhance our business regulatory environment and Ireland's attractiveness as a place to do business.*²

How we achieve this is through:

- Ensuring that our corporate and regulatory policy and legislation is responsive and reflects international best practice so that Ireland can facilitate enterprise and entrepreneurship, while protecting employees, members and creditors with appropriate safeguards.

¹ [DETE Statement of Strategy 2023-2025 \(enterprise.gov.ie\)](#)

² [DETE Statement of Strategy 2023-2025 \(enterprise.gov.ie\)](#)

- Supporting the regulatory and enforcement bodies established under the Companies Act 2014 and ensure company law enables the bodies to undertake their statutory functions effectively.³

And as set out in the Government's White Paper on Enterprise, our guiding philosophy is that regulation needs to be effective, proportionate and enforceable.

This has served us well and perhaps explains why Ireland is ranked 4th in the world for the competitiveness of our Business Legislation in the Institute for Management Development (IMD)'s World Competitiveness Yearbook 2024.

Companies Act 2014

I know Minister Calleary has already spoken how we have reviewed our company law framework and made the necessary legislative changes through the current Bill progressing through the Houses– the Companies (Corporate Governance, Enforcement and Regulatory Provisions) Bill 2024. Once enacted this legislation will further enhance the CEAs capacity to investigate suspected breaches of company law and strengthen director's accountability for the stewardship of their companies.

This Bill will further augment the Companies Act 2014, one of the largest Acts in the State, which provides the architecture for the regulation of company law.

The CEA is one of three statutory bodies established under the Act with the Companies Registration Office (CRO) and Irish Accounting and Auditing Standards Authority (IAASA) being the other two.

The role of the CEA is to drive compliance with and enforcement of the Act through independent, proactive and responsive action.

Therefore, the work of the CEA supports Ireland's strong global reputation as a great place to do business. The importance of the CEA for boosting competitiveness and supporting enterprise cannot be underestimated.

³ [DETE Statement of Strategy 2023-2025 \(enterprise.gov.ie\)](https://www.enterprise.gov.ie)

Turning to the European Policy Perspective

Now, let me turn briefly to the European perspective.

The outgoing Commission was largely focused on the twin transitions of Green and Digital for enterprise.

These transitions are linked as we know, as technology and data will play a key role in achieving sustainability goals, while the sustainability imperative will unlock new opportunities and markets.

And arising from this focus there are a few key pieces of EU legislation high on our priority list including the Corporate Sustainability Reporting Directive, the Corporate Sustainability Due Diligence and now the AI Act, which follows all the work on implementing the DSA and DMA. Collectively this legislation will have a sizeable impact on how we conduct our business in this country.

Turning first to the Corporate Sustainability Reporting Directive or CSRD, which was signed into Irish law by Minister Burke on July 5th harmonises rules for sustainability reporting and places it on the same footing as financial reporting.

It ensures that investors and other stakeholders have access to information to assess investment risks arising from climate change and other sustainability issues.

I know that many of you will already have engaged with my Department for our series of webinars on CSRD and we will continue to engage with you as you prepare for these new reporting standards.

We are determined to assist businesses in adjusting to these new requirements over the rest of this decade and are actively exploring how best to deliver this with our agencies.

And developing communities of practice will be important to the adoption of CSRD - yesterday at our Enterprise Forum I was pleased to learn that next week Ibec will launch a new CSRD toolkit to help businesses navigate through the requirements.

CSDD

The Corporate Sustainability Due Diligence Directive, or CSDDD, is another key piece of legislation agreed under the outgoing Commission that will introduce new obligations on larger companies.

The objective is to address adverse environmental and human rights impacts in respect of a company's own operations, their subsidiaries' operations and their chain of activities.

We will have a phased-in approach to compliance, with obligations applying to the very large companies first from mid-2027. Again, where appropriate, we will assist impacted companies in understanding how best to adjust to these issues.

CSRD and CSDD represent not just regulatory obligations, but a strategic opportunity for Irish businesses to lead, innovate, and thrive in a sustainable future.

As part of our outreach as a Department, we have a dedicated Responsible Business Enterprise Group comprising representatives of business organisations that are working with us on getting the message out about requirements on CSRD and obligations under the Sustainable Development Goals generally and that is working well.

AI Act

Similarly, we are taking a proactive approach to transposing the AI Act. As outlined in our national digital strategy 'Harnessing Digital', Ireland's ambition is to be a digital leader at the heart of European and global digital developments.

Other priorities are ensuring that our workforce is digitally skilled, that we have secure and resilient digital infrastructure, and that we strengthen the EU's engagement on digital globally.⁴

As an EU Member State, Ireland plays an outsized role as an EU digital regulator in areas such as data, digital markets, digital services, cyber security, and AI.

⁴ The Future of EU Digital Policy - Council Conclusions (21 May 2024) [pdf \(europa.eu\)](#)

The EU AI Act is the first-ever legal framework on AI, which addresses the risks of AI and positions Europe to play a leading role globally.

The Government is committed to comprehensive and effective implementation of the Act – by preserving transparency and accountability, some of the key principles of trustworthy AI.

New Commission

Looking ahead to the next EU Commission's mandate.

The hearings for European commissioners will be held from November 4th which means the earliest date for the new European Commission to start work is early December, subject to agreement.

As you will be aware Commissioner (Designate) McGrath is expected to assume the role of Commissioner for Justice and the Rule of Law and we wish him well for the hearings.

His portfolio includes the consideration of company law matters. One such initiative is leading the work to build an EU-wide legal status to help innovative companies grow, taking the form of a 28th regime allowing companies to benefit from a simpler, harmonised set of rules. This is an exciting opportunity for the development of the Single Market and to promote the faster internationalisation of European start-ups. My colleagues and I look forward to engaging constructively on these proposals in due course.

Draghi Report

More generally, what can we expect from the next Commission?

Many of you will have seen the reports by former Italian PM Enrico Letta on the future of the EU Single Market back in April and former ECB President and Italian PM Mario Draghi from September on EU Competitiveness, both of which have been well publicised.

The Draghi report certainly provides a compelling vision of a more prosperous, equal and secure EU.

Draghi provides a detailed prescription on how measures to:

- closing the EU's innovation gap with other trading blocs,
- on a joint plan of action to address the EU's high energy prices,

- on progressing decarbonisation and improving competitiveness
- addressing fragmentation of the Single Market, including through reducing regulatory burdens.

These reports will likely form an important role in the process of determining priorities for the incoming European Commission.

Essentially, they both recommend that the EU develop a stronger industrial policy to safeguard EU economic security and resilience, in particular in strategic technology areas.

Both reports also echo the Eurogroup and the European Council's calls for further efforts on Capital Markets Unions to drive investment in innovation.

The Draghi Report also calls for continued collaboration with global partners, in particular the United States.

We know implementation will continue for CSRD and CSDD.

Also, implementation of the digital rulebook – with the Digital Services Act and the Digital Markets Act which govern a fair and safe online world, the Data Act, which is designed to foster a competitive data market, and the AI Act

So, what does this mean for Ireland? Ireland is a strong supporter of deepening the Single market and delivering on the Capital Markets Union (CMU), which is a plan to create a single market for capital. To help build a strong CMU and unlock private capital, an EU proposal to harmonise substantive insolvency rules is currently being negotiated. Ireland is engaging constructively with this file and ensuring its ambition aligns with our refined corporate insolvency regime.

We are strong supporters of economic openness, competition and multilateralism, and of enhanced investment in innovation, decarbonisation and cohesion.

We are also strong supporters of clear and robust competition rules and of the fair and consistent enforcement of State aid rules.

We will engage on these agenda as the proposals are being developed.

Enterprise Policy- White Paper on Enterprise

So, what does this future perspective mean for us in a domestic context? I now want to speak about a pivotal document that is shaping the evolution of our economy, the White Paper on Enterprise.

The White Paper on Enterprise represents a whole of Government effort, and we work with colleagues across Government to ensure Ireland continues to be a great place to live, work and do business in.

This comprehensive framework is focused on ensuring Ireland's enterprise policy is oriented to protect Ireland's strong economic position and respond to emerging challenges and opportunities arising from digitalisation, global economic and geo-political developments, as well as the urgent need to decarbonise the economy.

Our vision is for Irish-based enterprise to succeed through competitive advantage founded on sustainability, innovation and productivity, delivering rewarding jobs and livelihoods.⁵

Indeed, our enterprise policies, pursued consistently for over half a century, has seen it develop into one of the foremost small, advanced economies (SAE) globally.

Our approach is predicated on:

- making it easy and supporting entrepreneurs to start and grow their business, in whatever sector,
- growing the levels of productivity and innovation in our SMEs and family businesses,
- growing and scaling their participation in global markets, and
- the attraction of inward investment by highly productive multinational enterprises (MNEs) in cutting edge sectors and at the frontiers of new technologies.

This economic model deliver has delivered strongly for our society.⁶

⁵ [white-paper-on-enterprise-2022-2030.pdf](#)

⁶ [white-paper-on-enterprise-2022-2030.pdf](#)

The success of Irish family businesses and multinationals on the global stage is truly impressive across a diverse range of sectors, whether in food and beverages, paper and packaging to engineering, in clothing and retail, aviation and construction, fintech to aviation leasing, medtech and pharmaceuticals. Indeed, Ireland is now the 7th largest investor in the US and Irish firms employ over 120,000 across all 50 States.

In the pursuit of new goals, though, it is important that we do not lose sight of the things that have served our economy so well for so long. To that end, the White Paper reaffirms Ireland's commitment to being an international economy at the heart of Europe, in which trade and FDI continue to play a vital role and sustaining a sharp focus on competitiveness.

On Competitiveness

We know that Ireland has a strong reputation as a stable country to do business in, both for SMEs and family businesses and Irish and foreign owned multinationals.

As I mentioned, our current competitiveness position is strong with Ireland ranking as the most competitive country in the euro area and fourth globally in the IMD World Competitiveness Rankings.

This strong performance is driven by several factors, including a highly skilled workforce, institutional and regulatory certainty, strong economic growth, and the successful attraction of foreign direct investment, particularly in high-value sectors.

However, there are still challenges on the horizon for us, the 4Ds as we refer to, when we think of deglobalisation, and the opportunities and challenges of digitalisation and decarbonisation and also our demographics of growing and ageing population.

The National Competitiveness and Productivity Commission (NCPC) recently published its annual report – Ireland's Competitiveness Challenge 2024 – and outlined the challenges over the medium term and the policy responses required to meet them.

The Council's key message is in such an uncertain world, we need to avoid complacency and ensure we work to sustain our position as a great place to do business and attracting investment in high value-added economic sectors and address those issues weighing on our economic performance.

Ireland's tight labour market, with full employment in every region of the country, is symptomatic of an economy operating at capacity, and we need to keep delivering on key infrastructure for housing, energy, and water to meet demand. Hence the significant investments in Budget 2025 in these areas which are very welcome.

The Council also advises how Ireland should embrace the opportunities afforded by technological change and innovation since innovation is a fundamental driver of economic progress and an important determinant of international competitiveness.

In areas such as digital adoption Ireland performs well compared to the EU-27, however, the Council does highlight the divergent rates of digital performance by small and medium sized firms, with barriers in terms of awareness and staffing inhibiting the further take-up and integration of AI systems.

In relation to education and skills, the NCPC suggests that Ireland is performing relatively well in this area compared to other economies, but there are opportunities for further development to enhance Ireland's competitiveness position.

The announcement by the Minister for Public Expenditure, NDP Delivery and Reform, Paschal Donohoe of additional funding of €1.5bn over coming years through the National Training Fund to underpin both the higher and further education sectors is most welcome and will help address increasing demands in key areas – including for green and digital skills and in new areas such as modern methods of construction.

The National Training Fund, which is based on a levy on business, plays a key role in fostering lifelong learning in workplaces and in delivering training programmes that directly assist in meeting skills needs through bodies such as Skillnet and IDA and Enterprise Ireland.

One of the key areas for focus for the Council in this year's report is in relation to the planning and delivery of sustainable infrastructure. The passage of the new *Planning and Development Act* last week is a significant milestone in addressing some of the issues relating to delivery of infrastructure to ensure we can keep pace with demand.

As the Minister for Finance Jack Chambers noted in the recent Budget speech, *'maintaining our competitiveness and having the means to improve it is vital to maintaining employment in all sectors of our economy.'*

Following a meeting of the Cabinet Committee on the Economy and Investment in June this year which focused on emerging competitiveness issues for Ireland, the Taoiseach held a Ministerial Competitiveness Summit in early September to discuss these major competitiveness challenges facing Ireland and the action necessary to address them.

There was agreement among Ministers on a range of competitiveness priorities and a series of actions were agreed, including:

On innovation, as part of enhanced engagement at EU level, the Government will increase its involvement in, and funding for, Important Projects of Common European Interest (IPCEIs) where these present strategic opportunities for Ireland, such as semiconductors where we are actively involved. Multi-annual funding mechanisms for IPCEI will be explored before end of 2024.

On admin burdens, the Government will introduce an initiative to minimise the regulatory burden on SMEs which will:

- rigorously apply the new SME Test across Government Departments and Think Small First principle
- seek to extend application of the Test to the wider public service and regulatory bodies and
- consult with business to identify additional areas across Departments/Agencies where the regulatory burden could be reduced.

We are also looking across Departments on other areas where we can reduce the regulatory burden on business. Indeed, this aligns with the Draghi report recommendation to reduce regulatory burden on SMEs by 50%.

The Government also committed to keeping under review the timing and phasing of labour market reforms, taking account of up-to-date impact analysis, to ensure that cost burden on SMEs in most-affected sectors is sustainable.

Finally, the Government agreed to hold an annual Summit with the National Competitiveness and Productivity Council in advance of the Budget each year and in the coming weeks will issue a formal written response to the Council's Competitiveness Challenge report.

We will continue to work with colleagues across Government to ensure that Ireland remains highly competitive globally.

Enterprise and Sustainability

Aside from CSRD and CSDD my Department is also keenly focused on working with enterprise to reduce its carbon footprint and to fully exploit the new opportunities arising in the green transition and circular economy.

More broadly, we know a focus on sustainability at firm level can be a driver for innovation and productivity growth, reducing costs and improving competitiveness, and this will be key in meeting our national climate targets, of a 35% reduction in industrial emissions by 2030.

Towards that objective, we have a number of targeted initiatives to assist business.

Enterprise Ireland, through its capital investment for decarbonisation program, assists companies taking steps to decarbonise their manufacturing combustion processes. Grants of up to €1 million per project are available to incentivise companies to invest in and adopt carbon reducing technologies.

IDA Ireland's 'Go Green' offers help client companies explore sustainable opportunities. This includes the *Green Start* and *Green Plus grants*, which provide support of up to €5,000 and €30,000 to develop a climate action plan or decarbonisation strategy. The IDA also provides larger capital grants for implementing major renewable and energy efficiency projects.

However, we need every company - large and small – to decarbonise. Many of our larger companies have sustainability plans in place and are acting on them.

For example, last May, Diageo announced an investment of over €100m to reduce the on-site emissions at its St. James's Gate Guinness Brewery by more than 90%, in part supported by Enterprise Ireland.

We now want other companies to do likewise.

That is why our Minister for Enterprise, Trade and Employment, Peter Burke TD earlier this summer announced €300 million in funding for the decarbonisation of Ireland's large industrial emitters between now and 2030.

Our Local Enterprise Offices are also playing a key role in this by helping smaller businesses to save on their energy bills while becoming more sustainable. One of their current offerings for those with up to 50 employees is the *Energy Efficiency Grant*, which offers an attractive grant rate of 75% up to a maximum investment of €10,000 and supports a broad range of sustainability investments such as water management systems, energy monitoring and food waste systems.

Minister Burke will also shortly launch our new €170m Power Up Grant for hospitality and retail sector as part of Budget 2025, to help in meeting some of the investment costs for energy efficiency.

The Future

So, what does the future hold for us as a Department and for enterprise Policy?

While we are dealing with the challenges and opportunities of the changing geopolitical context, our potential as a country and economy remains strong.

As set out in the draft *National Planning Framework* during the summer, we are in the enviable position of having a growing population, projected to increase by an additional 1 million by 2040, with up to an additional 600,000 extra at work.

Our enterprise base has demonstrated its resilience dealing with significant shocks of Brexit, Covid and war in Europe and there is significant transformation underway as sectors adjust to increasing productivity and innovating in markets to compete. And our focus on the underpinnings of competitiveness and investment for the future is all about ensuring we the base of innovative and competitive enterprises to create well paid and rewarding jobs for the growing population.

And while the twin transitions of digital and green are enormously challenging for the public and private sectors, but we have the potential to be a truly green and clean energy hub for

Europe from 2030, if we can deliver the large-scale investments in onshore and offshore renewables that are currently being planned.

Of course, realising our potential will require careful long-term planning and the work on the *National Planning Framework* is hugely important in this context in ensuring we have spatial planning, infrastructure and services in place for the economy and our society of the future.

In the short term, we are busy preparing for the EU Presidency in 2026 at home and in Brussels and already we have additional officials in place in Brussels to lay the ground for strong working relationships with other member states.

Our officials are engaging on the new Commission Work Programme and EU working parties in Brussels in order to influence policy and get the best outcome for Ireland – for businesses and citizens alike.

Conclusion

In conclusion, thank you for the opportunity to provide a high-level overview of relevant European developments and Ireland's enterprise policy and the role my Department plays in driving it.

A fundamental tenet of our policy making process is stakeholder engagement and my Department places great importance on engaging to ensure that the needs of stakeholders are considered and that the legislation we develop is fit for purpose.

Thank you once again to Ian and all the team at the CEA for the opportunity to speak to you all this morning.

Lastly, I encourage you all to visit my Department's website where you can learn more about our policy work for Government and engage with the various supports for business.
enterprise.gov.ie

Thank you

Ends