Innovation to Enterprise: Supporting the Future Development of Rural Irish Business

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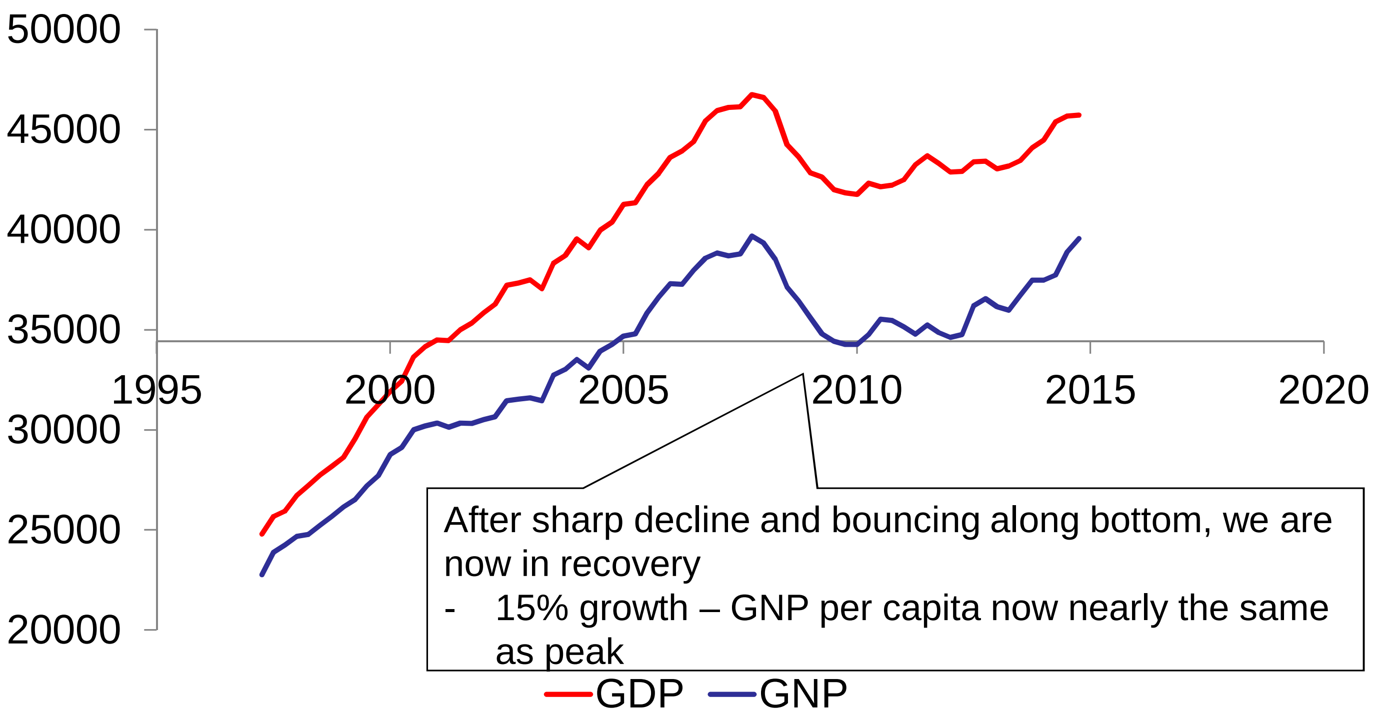
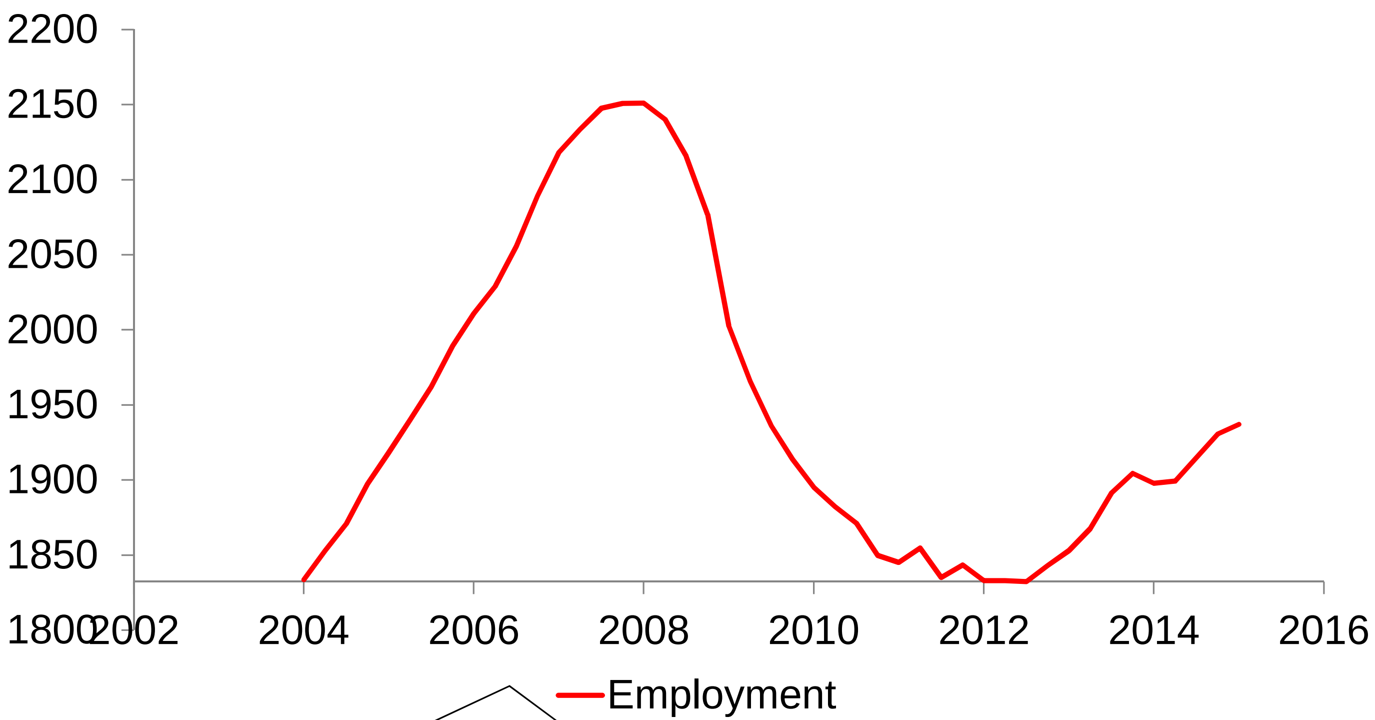
Economic Situation

Economic Growth (per capita in constant prices)



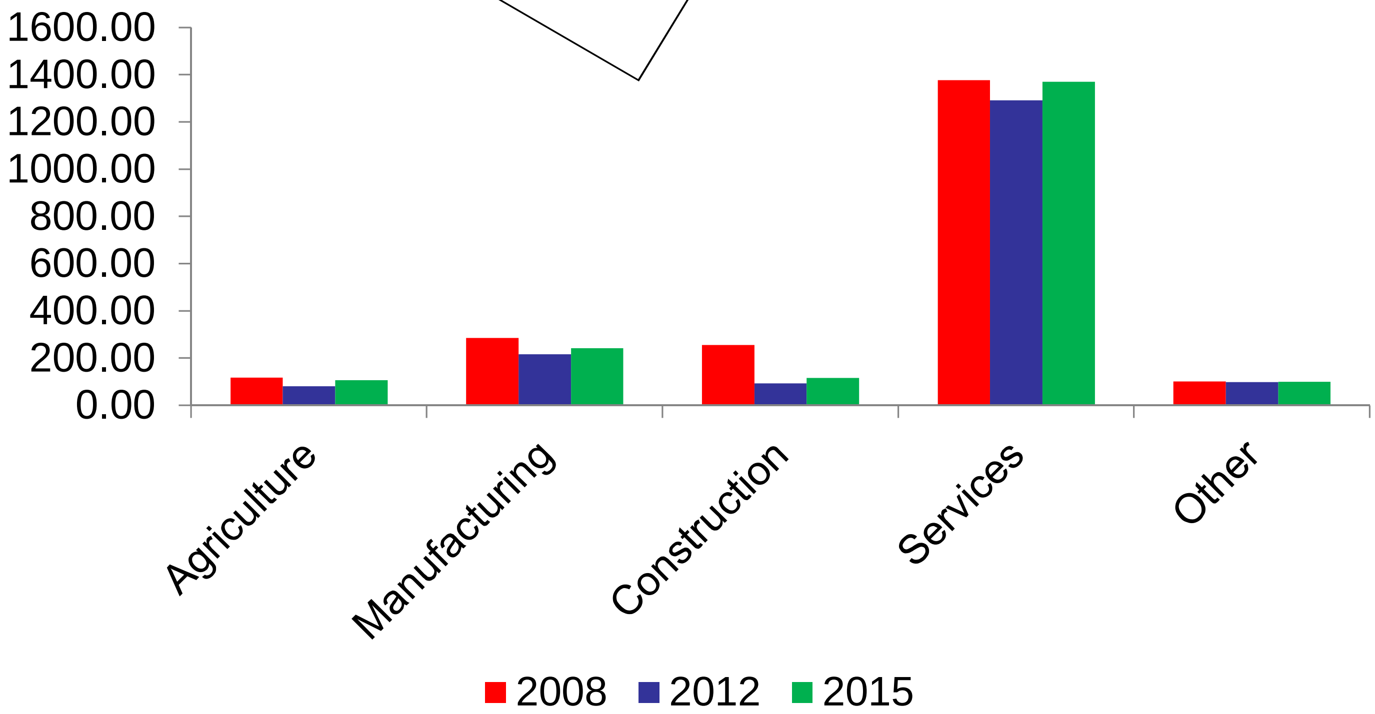
Employment Growth



Employment growth since lowest point in 2012 Q1 – 105000 jobs
- However 10% less than peak → **challenge to create jobs**

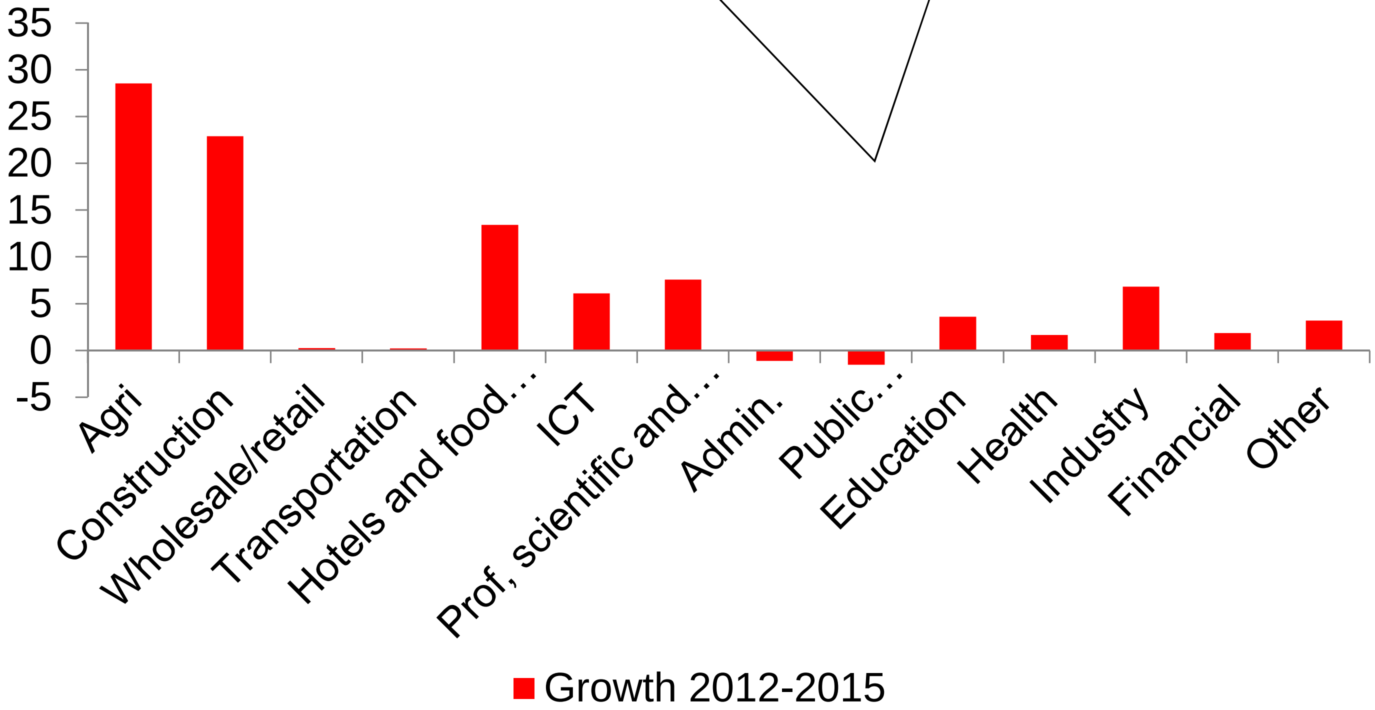
Sectoral

Services – the highest share of employment
- Recovery across all sectors – back to peak – Construction well down from peak

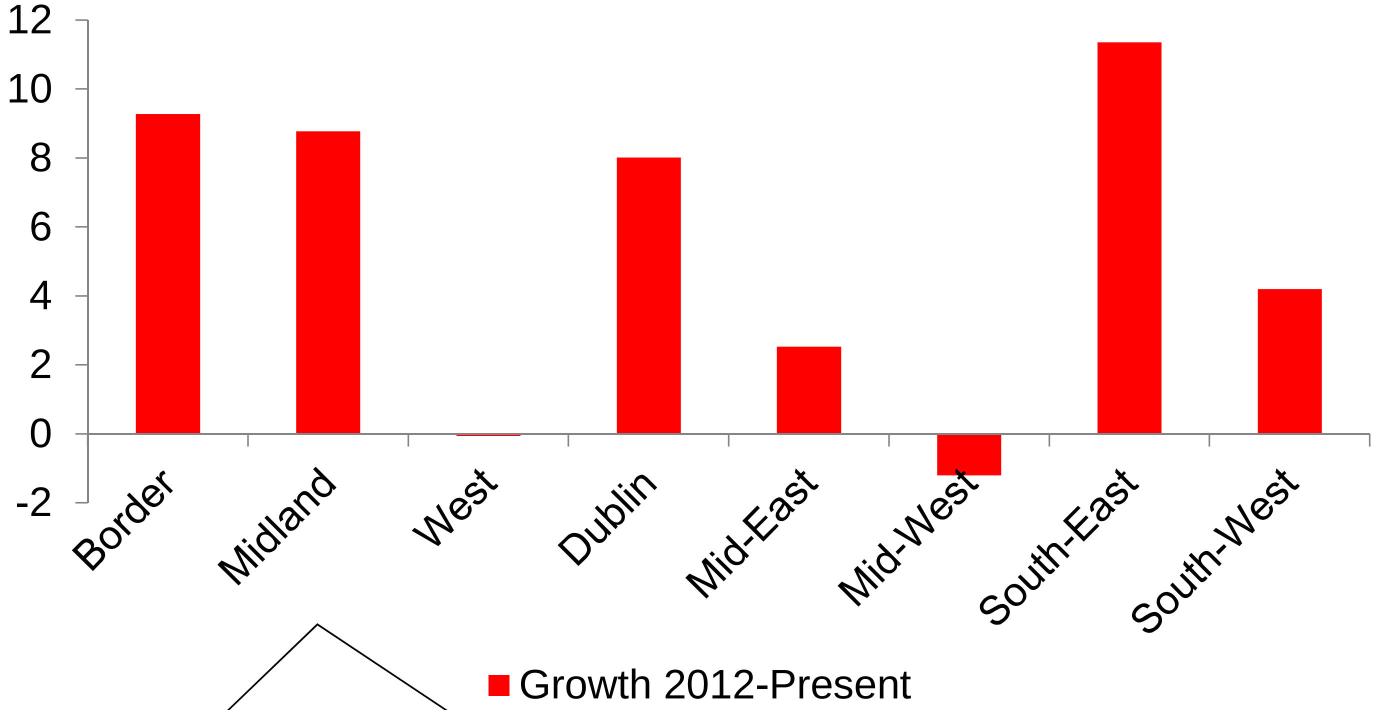


Sectoral Growth 2012-Pr

Fastest Growing sectors
– Agri, construction, Tourism, ICT, Professional, Industry
- Opportunities for Rural Areas



Regional Employment Growth 2012-Present



Employment Growth Highest on East Coast and in Commuting reach of Dublin

West - Weakest

Top and Bottom Counties (Change in Live Register)

Top

Rank	
1	Limerick (ex City)
2	Meath
3	Kerry
4	Cork (ex City)
5	Clare

Bottom

Rank	
27	Carlow
26	Laois
25	Kildare
24	North Tipp
23	Offaly

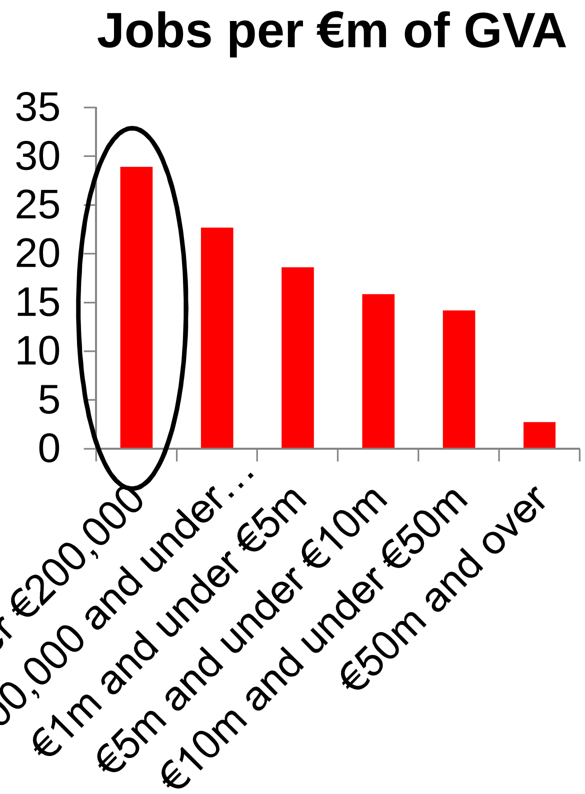
Larger urban centres and commuting zones

Midlands and SE slowest recovery in unemployment

SME's

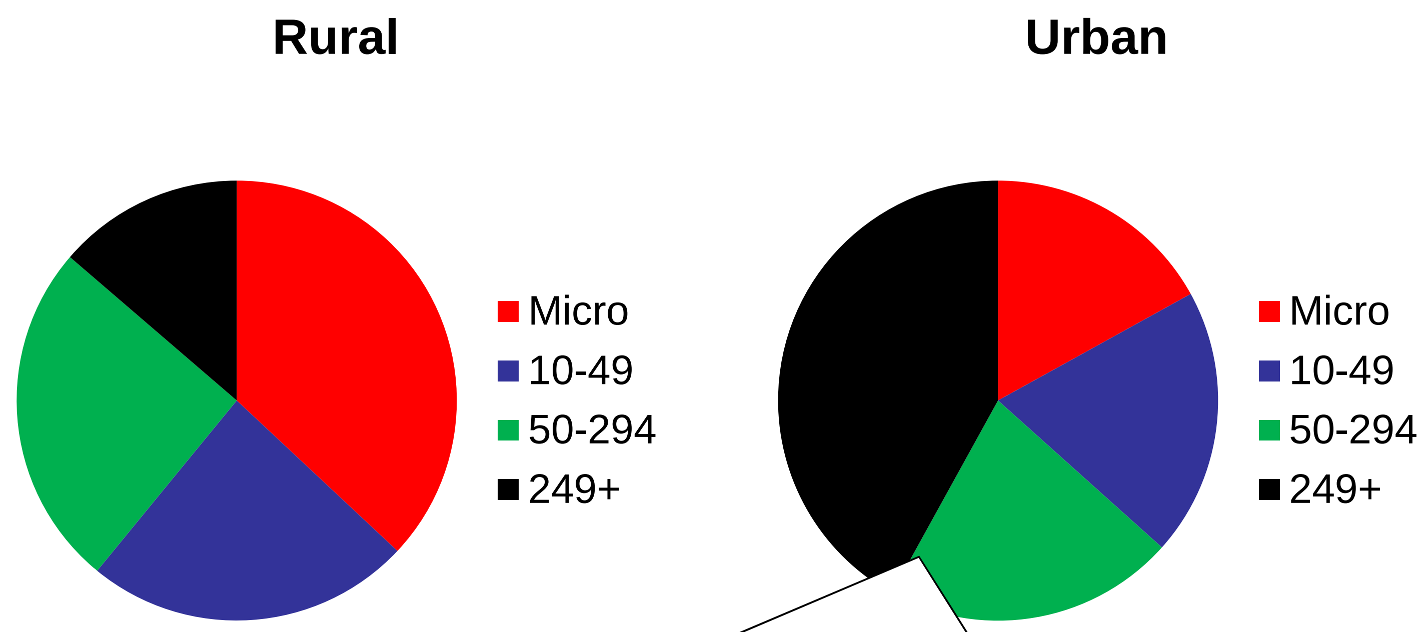
Jobs per €m of Gross Value Added by Turnover size

- SME's are more job intensive per unit of output



Source CSO

Share of Employment by Enterprise Size



Micro most important in Rural Areas
Small and Medium share similar
Large businesses more important in urban areas

Policy Environment

National Spatial Strategy

- Recognise
  - Critical to improve the focus on rural areas and towns in new spatial strategy

  - Quite a young population in towns, even in more remote areas
  - Skills level often lower, particularly in weakest towns

  - Many have lost jobs
    - Higher unemployment, Jobless Households

  - Negative Equity
    - Likely to remain so for the foreseeable future
  - Long Term Issue
    - The issue will not go away
    - Long term challenge for services and economic development

Local Economic and Community Plan

- Development requires a different mindset
  - Taking risks
  - Proactive not passive
  - Focus on finding solutions
  - Need to identify strengths and optimising them

- Build community capacity
  - Top-Down will not work in the long term
    - Rural Economic Development Zones – emphasise bottom up
  - Communities don't necessarily have the skill set
    - Capacity Building Necessary

- Spread the load
  - Partner with other agencies (both national and local)
  - → Local Community and Development Committees critical in coordination a t local level
  - Jobless households is a multi-dimensional problem

CEDRA Recommendations

- **Supporting Local Economic Development**
  - Importance of the Coordination of enterprise support
  - No gaps in the provision of support by agencies
  - Improve Access to Private and Public Finance for SME's
  - Faster decision making by regulatory Agencies
    - Greater focus on solutions than just barriers
  - Regulatory and administrative frameworks should be proportionate, agile and customer focused

Food Wise 2025

Agriculture and Food Development Authority

The Irish Agriculture and Food Development Authority

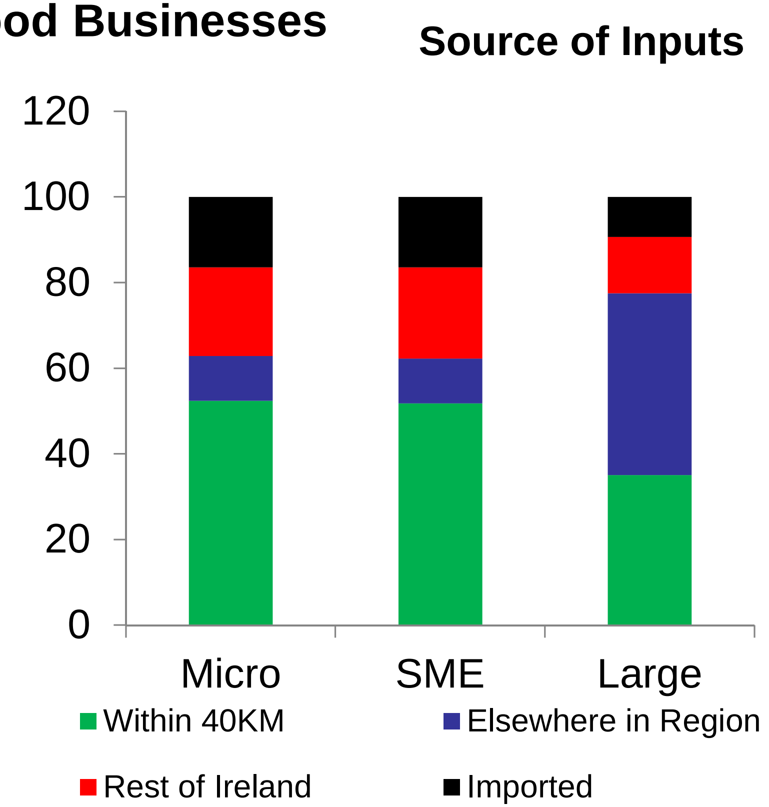
Food Wise 2025: Local Roots Global Reach

- **New Agri Food Strategy**

- Increasing the value of agri-food **exports** by 85% to **€19 billion**.
- Increasing **value added** in the agri-food sectors by 70% to **€13 billion**.
- Increasing the value of **Primary Production** by 65% to **€10 billion**
- The creation of an additional **23,000 jobs** across supply chain

Source of Inputs for Agri-Food Businesses

- Food SME's have
  - **a higher local impact**
  - a higher import share

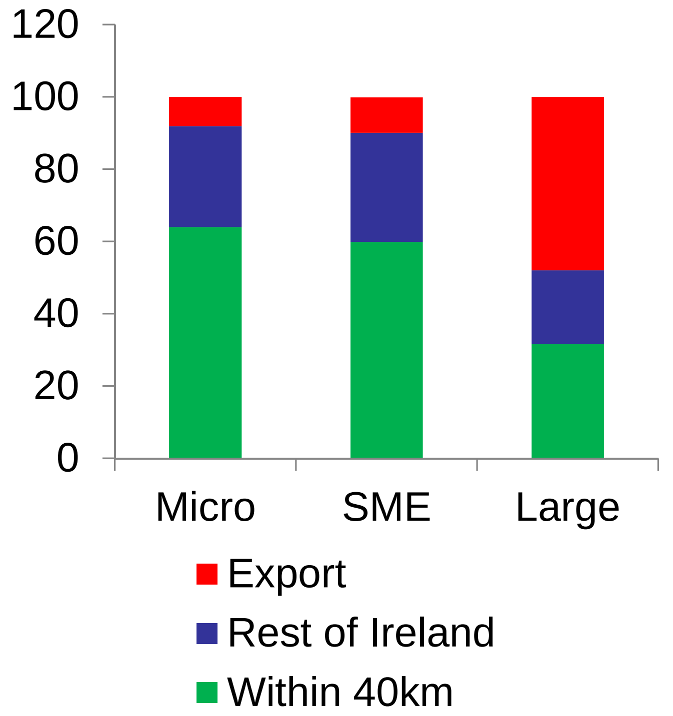


Source Teagasc Agri-Business Survey

Destination of Outputs for Agri-Food Businesses

Source of Outputs

- **Challenge to get more SME's to export**
  - Much lower export share the larger businesses
- Key recommendation in CEDRA



Source Teagasc Agri-Business Survey

From Idea to Fork – Food SME Development Pathway
- Needs to be coordinated a local level

Thank You