

Issue

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Ibec Europe & Global Focus

Focus on the Future of Europe
as Brexit negotiations begin

In this issue...

From the editor





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With Brexit negotiations imminent and an intense debate on the Future of Europe already underway, Irish business faces a period of significant uncertainty, further complicated by changes in the international policy environment.

From the editor

As the UK prepares to withdraw, Europe considers its destiny and global uncertainty persists, Irish business advances its position

UK Prime Minister May officially triggered the Article 50 process with a letter to European Council President Tusk at the end of March. The Council then agreed its guidelines for the negotiations in April, with member states endorsing the final details in May. EU Chief Negotiator, Michel Barnier, is now expected to launch formal exit negotiations with the UK in Brussels on 19 June.

Ibec CEO Danny McCoy met with Michel Barnier during his recent visit to Dublin. The discussions focussed on measures to mitigate Irish business exposure to the UK's withdrawal and both the north-south and east-west dimension. Ibec, and our sector associations, will continue to make the case for a smooth UK exit, comprehensive transitional arrangements and the closest possible future relationship with the UK.

As the UK prepares to leave the EU is considering how it will look and function as 27 countries post-Brexit. This will have a defining influence on Ireland's future wellbeing and prosperity. To launch the debate, the European Commission published a '*White paper on the Future of Europe*' ahead of celebrations to mark the sixtieth anniversary of the signing of the Treaty of Rome. It presented five possible scenarios for the future of the EU of 27: (1) Carrying on, (2) Nothing but the single market, (3) Those who want more do more, (4) Doing less more efficiently, and (5) Doing much more together. No single scenario will provide a full answer, or gain the support of the EU27 member states. The likely outcome is that EU leaders will agree on a combination of the different elements of the scenarios.

Ibec is working with EU business partners to find common answers to challenges, with more action in areas with a clear European value added, such as the single market, particularly in digital, and the common trade policy. The EU must be more efficient and do less in specific areas such as social legislation, for example leaving labour market reforms to be decided at national level rather than ill-conceived EU legislation that would undermine job creation.

One thing is clear; we must ensure that our EU partners better understand the contribution that Irish business makes to the EU. Ibec recently launched a campaign in May to tell the story of why Ireland is a model of substance, using a number of key themes and facts as messages. Ibec contributed a well-received opinion piece to POLITICO Europe online and was also headline sponsor for a week-long run of POLITICO's Brussels Playbook. This provided the opportunity to showcase the substance of Ireland's business model to our target audience among European decision makers and influencers.

We are also promoting the substance of the Irish business model in the US, as the new US government formulates its international policy and its role in the global trading system. In New York in March Ibec held a conference, in collaboration with the Ireland-US Council, which included presentations from Ibec President Anne Heraty and high-level US political and business leaders.

Ibec also made a submission to a US consultation following an executive order, signed by President Trump, to examine significant US trade deficits. The order targeted EU countries including Ireland. We emphasised that expertise developed in high-technology manufacturing in Ireland and involvement in global value chains influences the modest trade deficit in goods recorded by the US. In addition when one takes services into account the US actually records a trade surplus with Ireland. We also pointed out that Irish multinationals invest substantially and hire nearly as many people in America as US multinationals do here in Ireland. President Trump has appointed Peter Navarro Director of a new Office of Trade and Manufacturing Policy (OTMP) and Robert Lighthizer as United State Trade Representative (USTR). Both men are expected to focus on reducing deficits in US trade in goods and to promote 'Buy America and Hire America', signalling a shift away from traditional US 'open markets' approach to international trade policy.

In this changed global policy environment, under increasing pressure from anti-globalisation and populism, business must better explain and promote the benefits of open markets. Ibec is working with EU and international business partners at the OECD and elsewhere to highlight that international trade and investment creates better and more sustainable jobs, as well as offering consumers more choice.

On a really positive note, economic growth continues with the EU in its fifth year of recovery, with millions of additional jobs created both in the Eurozone and in wider EU. Ireland is still one of the strongest countries in terms of economic growth and job creation. Europe is also in a better place politically today than feared some months ago. Rising populism has not resulted in the upheaval feared in elections in the Netherlands and France. There was a sense of relief when Dutch Prime Minister Mark Rutte was returned to power, defeating Geert Wilders, who had pledged to take the Netherlands out of the EU. This was equalled, when France chose Emmanuel Macron as its President over the Front National's Marine Le Pen, who had pledged to take France out of the Euro. There is now renewed optimism in Europe that if Angela Merkel is re-elected in Germany in September that the opportunity of a stronger and more business focused French-German alliance can bring forward new leadership initiatives. Of course this might pose challenges as well as opportunities for Ireland so Ibec, on behalf of Irish business, will actively engage as the debate on the future intensifies during the Estonia presidency of the EU and will be focusing on building strong alliances with like-minded member states.

I encourage you to read more detail on the above topics and much more covered in this edition of **Ibec Europe & Global Focus**. As always, I look forward to your feedback.



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Brexit and the future of EU-UK relations

The EU27 authorised the opening of Brexit negotiations on 22 May, allowing the EU's Chief Negotiator, Michel Barnier, to formally meet the UK's negotiators for the first time on 19 June.

Where are we now?

At the 22 May meeting, ministers also agreed on negotiating directives for the talks, including the topics to be covered in the first phase of the negotiations. These are based on Commission recommendations of 3 May and built on European Council (Art 50) guidelines of 29 April. These directives relate only to the first phase of the negotiations, which will determine the issues around the UK's withdrawal from the UK. Once the European Council agrees that sufficient progress has been made, the negotiations can then move to the next phase. This will focus on 'an understanding of the future relationship' between the EU and the UK. An actual agreement on a future relationship can only be concluded after the UK has left the EU and becomes a 'third country'.

Key issues that are covered in the first phase of negotiations include:

1. Citizens rights

This is identified as the first priority of the negotiations, with the Council of the EU stating, "The rights of citizens are at the very top of our agenda and we aim for an ambitious solution, where those affected continue to enjoy their rights." The aim is to agree guarantees to protect the rights of EU and UK, and their family members that are affected by Brexit.

2. Financial settlement

The EU27 want agreement on a single financial settlement, stating that the "UK must honour its share of all obligations undertaken while being a member".

3. The situation of Ireland

The EU is committed to continuing to support peace, stability and reconciliation on the island of Ireland. The Directives state that a deal should:

- not undermine the Good Friday Agreement;
- avoid the creation of a hard border on the island of Ireland - calling for "flexible and imaginative solutions" to this issue;
- note the right of residents of Northern Ireland who hold Irish citizenship to continue to enjoy their rights as EU citizens;
- recognise existing bilateral agreements e.g. the Common Travel Area (if in conformity with EU law);
- address issues arising from Ireland's unique geographic situation, including the transit of goods (to and from Ireland via the UK).



Brexit and the future of EU-UK relations

4. Goods placed on the market and procedures based on EU Law

The negotiating directives for the first phase also cover other issues where arrangements are needed to reduce uncertainty and avoid a legal vacuum. For example, if a product is already placed on the single market before the withdrawal, it should be ensured that it can remain in the market afterwards. The directive states that other matters where there may be a need to reduce uncertainty or avoid a legal vacuum, such as services, will require and be covered by future negotiating directives (still to be drafted).

Second phase – the future relationship

At this stage there is very little clarity on what the second phase of negotiations will try to achieve. Transitional arrangements may be agreed to avoid a cliff-edge scenario. However, this will depend on the clarifying the framework for the future EU-UK relationship. Any transitional arrangement must be clearly defined, limited in time and subject to effective enforcement mechanisms.

Talks on a future EU-UK free trade agreement (FTA) are also expected to take part in the second phase.

Ibec will continue to engage with the Permanent Representation of Ireland to the EU, the Council of the EU and Commission task forces in Brussels as these important negotiations get underway. Keep an eye on our dedicated Brexit website, www.ibe.ie/brexit for more updates.



Brexit and the future of EU-UK relations

On 11 May, a delegation from Ibec met with Chief Brexit Negotiator Michel Barnier in Dublin. This was the latest opportunity for Ibec to engage with the EU27's lead negotiation team in advance of the formal commencement of UK exit negotiations on 19 June.

Ibec meets with EU's Chief Negotiator Michel Barnier in Dublin

Ibec's CEO Danny McCoy stressed the need for a range of key Irish business concerns to be directly addressed in the exit negotiations as well as the future relationship between the UK and the EU, while Mr Barnier reiterated his acknowledgement of the unique relationship between Ireland, Northern Ireland and Britain and pledged his commitment to finding the best possible solution to the critical border issue.

Ibec has worked hard to cultivate close working relationships with Mr Barnier and his team in the Commission and the special taskforce on the UK negotiations in the Council of the EU, headed up by former Belgian diplomat Didier Seeuws. There is now a genuine appreciation in Brussels of the unique challenge Ireland faces. We will continue to leverage these contacts in the months ahead as the UK begins the formal process of disentangling itself from the EU after 44 years of partnership. At every opportunity, Ibec will advance the priorities of the Irish business community and demonstrate our commitment to the future of an EU with 27 members.

[Click here](#) to access our press statement with further details of the discussion.





Brexit and the future of EU-UK relations

Ibec launches new Brexit toolkit and web resource for Irish business

At a special
event in Dublin
on 29 March,
Ibec published a
practical guide to
Brexit.

Our guide sets out the potential implications for Irish business and includes a toolkit to enable our member companies to assess the risks, prepare a response and plan adequately for the future. It examines the potential impact on key sectors and also how the UK's withdrawal is likely to affect currency transactions, supply chains, contracts, financing and the labour force, among other issues. The toolkit examines:

- **Potential impacts:** Scenarios to help think through what the post-Brexit world might look like for the Irish business community
- **Impact assessment:** Checklists of questions to help assess impacts and develop adequate contingency plans
- **'No regret' actions to manage Brexit:** Pragmatic steps that all Irish businesses can follow in their response to Brexit

We have designed the material to be an invaluable resource in understanding how Brexit may impact our members' operations, market, suppliers and customers.

All of our Brexit material and resources can be accessed via our new web portal at www.ibec.ie/brexit. Updates are frequently posted and we encourage our members and stakeholders to visit the site regularly.



[\[Click to download \]](#)

Brexit timeline





**Outlook as Europe
considers its
future**

Rome Summit: EU27 present united vision on sixtieth anniversary

Marking the sixtieth anniversary of the signing of the Treaty of Rome, EU leaders gathered on 25 March to present their shared vision for the future of an EU with 27 members.

Joining with the leaders of the EU institutions, member states stressed their commitment to a renewed and united Europe that provides common answers to common problems. They pledged to work together on four main fronts - safety and security, prosperity and sustainability, social progression unpinned by economic success and strengthening the EU's global influence.

They also reiterated their commitment to the Juncker Commission's core political message, 'to be big on big issues and small on small ones' – acting only where the EU brings added value, otherwise allowing national or local authorities to govern in areas where they can be more effective. Also, advocating for a streamlined decision-making process through approving 'coalitions of the willing' on specific policies, aiming to avoid initiatives being blocked by a lack of consensus.

They added that the single market should be strengthened on the foundation of a deeper Economic and Monetary Union (EMU), with a specific focus on exploiting the possibilities offered by completing the Digital Single Market (DSM) and the Single Market for Services, emphasising economic success is necessary to drive social progress.



**Outlook as Europe
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future**

Business seeks to influence the Future of Europe debate

Business wants to play an active and positive role in shaping the future of Europe discussion. It wants to be part of providing solutions that contribute to developing concrete results for citizens to help combat the current challenges such as the recent rise in populism, anti-globalisation etc.

For business to be part of the solution, the EU institutions and national governments must also play their part by ensuring a regulatory environment that enables EU companies to be competitive, to work towards completing the single market – in services and digital as well as goods – and by helping companies to access finance and ensuring stability of the euro by completing the Economic and Monetary Union (EMU).

The future of Europe, as an EU of 27, is now up for discussion. As the UK starts negotiating its EU exit, the remaining 27 have started to think about what kind of EU can best address current challenges. Ireland has arguably ‘punched above its weight’, as a smaller member state, since joining the then European Economic Community (EEC) in January 1973, at the same time as the UK. It is even more important, as we lose a traditional ally in many policy areas, to ensure that we play our part in shaping the future of the EU in a way that best benefits Irish business and citizens.

The European Commission launched the debate with its White Paper on the Future of Europe on 1 March. The so-called ‘reflection paper’ outlined a number of possible ‘scenarios’ as to how a future EU of 27 member states might look by 2025; Carrying on, Nothing but the single market, Those who want more do more, Doing less more efficiently, and Doing much more together.

1. Carrying on

The EU would continue as it is but as 27 member states on the basis of the Bratislava Declaration, tackling issues as they arise and regularly updating priorities. The EU27 would keep focused on jobs, growth and investment, completing the single market, and investment in digital, transport and energy infrastructure. The speed of decision-making would still depend on overcoming differences. It would be ‘united’ but, but still tested on major issues.

2. Nothing but the single market

This could mean a ‘simplified’ EU that goes back to its original ‘raison d’être’ – the single market for goods and service. This could result in more differences between member states (e.g. consumer, social & environmental standards, taxation) and would make it more difficult to agree common rules. It would impact the free movement of people because of lack of cooperation on security and migration. It would also slow down international trade deals because of possible disagreements among member states, a recurring problem in all EU decision-making.



Outlook as Europe considers its future

3. Those who want more do more

The EU would continue as it is with 27 member states on the basis of the Bratislava and Rome Declarations. However, new projects in specific policy areas would rely on 'coalitions of the willing'. It has been done before (e.g. Schengen Area, eurozone etc....). The single market could still be strengthened and its four freedoms reinforced. The EU would continue to work on FTAs with third countries.

4. Doing less more efficiently

The EU27 would develop a reduced number of policy areas at EU level. This could lead to better aligning its promises, expectations and delivery. It could result in more cooperation in innovation, trade, security, migration and enforcement tools aimed at deepening the single market. However, it could be difficult to agree on where to do less and which areas to prioritise.

5. Doing much more together

Under this final 'scenario', the EU27 would develop even more policy areas at EU level and could mean sharing more power, resources and decision-making. They would agree on and enforce policies more quickly. The EU would speak and act as one internationally. It would put a strong focus on completing the single market for energy, digital and services.

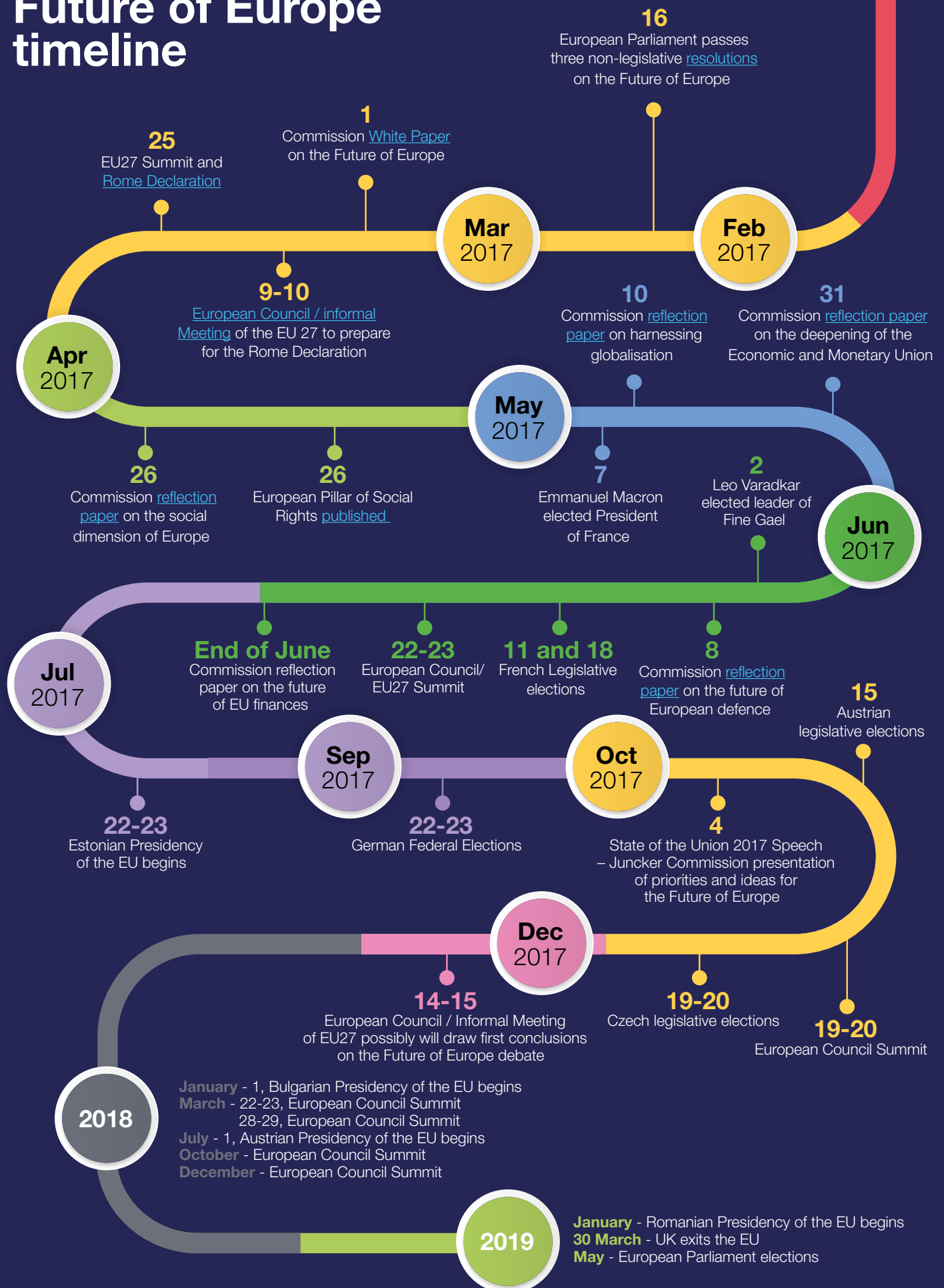
It is unlikely than one of these scenarios alone can provide all the answers, or get the support of all 27 member states. It is more likely that they will agree on certain elements or a combination of different scenarios.

Ibec will continue to work with EU business partners to find solutions to ongoing challenges. The business preference is for more action in areas with a clear European value added, such as the single market and common trade policy, focusing on priority areas where the EU can deliver. This means that the EU must be more efficient and do less in specific areas such as social legislation, for example leaving labour market reforms to be decided at national level rather than ill-conceived EU legislation that would undermine job creation.

What could prove more challenging from an Irish perspective is if large EU member states decide to act at EU level, sharing more power, resources and decision-making. The 'coalition of the willing' mechanism, could, again, be used to overcome differences. As a result, Ireland could be left with some difficult decisions over whether we move closer or further away from the core of EU integration.

Ibec will follow developments closely as the Commission publishes more 'reflections' papers, which are listed below, in advance of President Juncker's annual state of the Union address to the European Parliament in in October this year.

Future of Europe timeline





**Outlook as Europe
considers its
future**

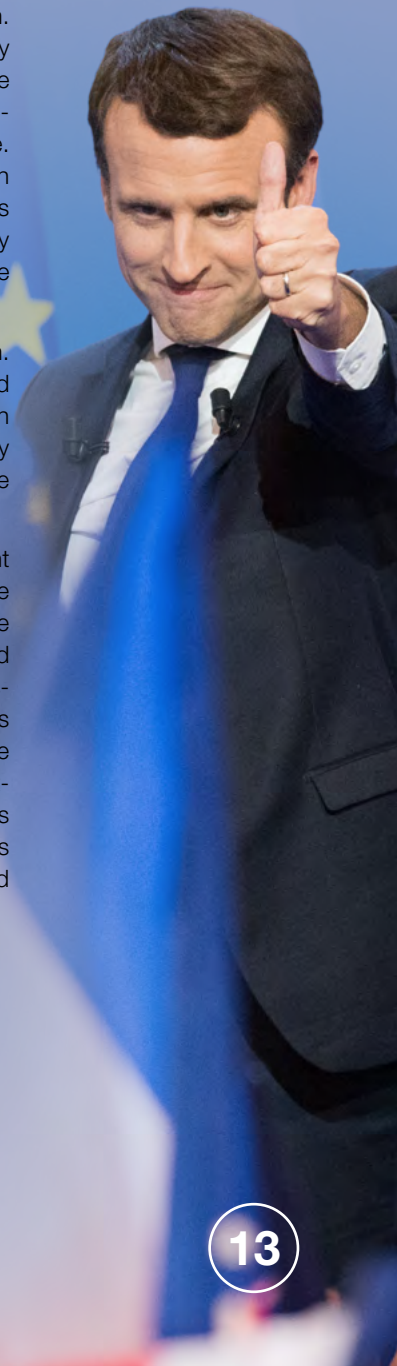
Emmanuel Macron – a win for France is a win for Europe

Emmanuel Macron was elected to succeed Francois Hollande as French President on 7 May. He fought it out with far-right leader of the Front National, Marine Le Pen – winning by 66.1% to 33.9%.

President Macron, a former investment banker and political newcomer, had emerged as a favourite from early in the campaign. The candidates were vehemently opposed on many key policy areas including public sector financing, French labour laws, trade and the EU. Ultimately, it was President Macron's pro-EU, neo-liberal, outward-looking policies that won over the French people. But it was far from a vote for the status quo. The 2017 French elections will be remembered as a time when political outsiders took a seat at the table, when mainstream parties were effectively annihilated and when the Front National was normalised in the French political psyche.

President Macron is France's youngest leader since Napoleon. He previously served as the Minister of Economy, Industry and Digital Data under Francois Hollande. During this time, Mr. Macron distinguished himself from traditional socialist politicians by introducing pro-business policies in an attempt to kick-start the French economy.

Despite having served in the socialist government, President Macron moved away from the Party and instead joined the presidential race as an independent socialist candidate whose policies were deemed - "neither on the left nor right". He founded the En Marche! movement in April 2016 as a type of trans-party political organisation, in an attempt to unite voters across both sides of the traditional political divide. To demonstrate commitment to this principle, he picked a 22 member cabinet-equally divided across gender lines with members from across the political spectrum (apart from the Front National). He has also chosen a conservative republican Prime Minister, Edouard Philippe, who was previously mayor of Le Havre.





Outlook as Europe considers its future

Throughout his campaign, President Macron demonstrated some clear pro-business leanings including a commitment to lowering the French corporate tax rate from 33% to the EU average of 25%.

A pro-business leader?

Throughout his campaign, President Macron demonstrated some clear pro-business leanings including a commitment to lowering the French corporate tax rate from 33% to the EU average of 25%. He envisages a Nordic style economic programme for France by ensuring a mix of fiscal discipline and public expenditure. In contrast to Ms Le Pen's protectionist ideas, he is an advocate of free and open trade. He has also proposed that a key element of his economic policy would be a 'Buy European' incentive.

While President Macron won the election, the real work is only just beginning. The Front National still managed to gain a sizeable amount of the vote with almost 11 million French citizens backing Ms Le Pen. President Macron wants to unite France. But it will be his policy implementation that must curtail the appetite amongst those who have been turning to euroscepticism and nationalism. It is essential that France sees some solid economic gains over his five year mandate. If not, the risk of the rise of Marine Le Pen and the National Front party could re-emerge even stronger in 2022.

President Macron's economic policies, at a glance:

- Targets for cuts up to €60 billion in public spending
- Cut up to 120,000 public sector jobs
- Achieve a budget deficit of below 3% GDP
- Propose a eurozone budget and EU-wide investment programme with Germany
- Lower corporate tax rate from 33% to EU average of 25%
- Extend unemployment benefits to include entrepreneurs, farmers, self-employed and those who voluntarily quit jobs
- Exclude financial investment from wealth tax
- No changes to retirement age and pensions



**Outlook as Europe
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future**

2017 – a year of crucial elections across Europe

General elections have dominated many of the European news outlets for the first half of the year, with the Dutch going to the polls in March followed by the French, the UK calling snap elections for June, while in late autumn the Germans and Austrians cast their votes, on 24 September and 15 October, respectively.

Centre-right leader Marc Rutte in the Netherlands held onto his seat in the *Tweede Kamer*, much to the EU's relief, given that far-right candidate Geert Wilders was his most serious rival. Prime Minister Rutte is now in negotiations regarding the make-up of the coalition government, which is likely to be an alliance of centre right parties with liberals and a popular green-left movement.

UK Prime Minister Theresa May recently called a snap-election in what many see as an attempt to gain more Tory seats in Westminster. While Labour-leader rival Jeremy Corbyn was expected to be annihilated in the elections, recent polls have shown that the margin is closing. However, it is still likely that the Conservatives will gain a strong majority in the Houses of Parliament, but perhaps not as much as Prime Minister May expected. It is unlikely that these surprise elections will have any major impact on the upcoming Brexit negotiations.

With the French elections out of the way, attention has turned to Germany. Former European Parliament President and Social Democrat candidate, Martin Schulz was thought to pose a serious threat to Chancellor Merkel's re-election. However, recent regional elections have cast doubt on that possibility. The so-called Schulz-effect is dwindling, and it now seems likely that Angela Merkel will retain her position as German Chancellor for a fourth term.

Austrians will go to the polls in October in a snap-election spurred from vice-Chancellor Reinhold Mitterlehner's surprise resignation at the beginning of May. The elections may pose another far-right threat if the Freedom Party gain ground on their Christian Democrat and Social Democrat rivals. However, it is hoped that the results will allow for a more stable government as the current one has been rattled by in-house disunity in the parties and lack of coherence between coalition leaders on many topics of relevance to the Austrian electorate.

Ibec continues to follow political developments across the EU, closely monitoring the implications for Irish business.



Outlook as Europe
considers its
future

Estonia readies for its turn in the limelight after Malta's inaugural Presidency

Estonia takes over
the Presidency of
the Council of the
European Union
from Malta on 1
July, 13 years after
it joined the EU.

The UK was originally next in line to assume the Presidency, however, following its decision to leave the European Union, Estonia's turn was brought forward by six months. This begins a new 'trio' of presidencies, which Estonia shares with Bulgaria and Austria. The trio system allows countries to plan 18-month joint programmes allowing for a certain level of coherence and continuity throughout their respective mandates.

A global leader in e-Government services and one of the world's most advanced digital societies, Estonia's inaugural priorities are likely to be overshadowed by the first round of Brexit negotiations with the country's Prime Minister promising that his key focus will be on preserving unity among the remaining 27 members.

While working to ensure that the EU remains "united and decisive" during its tenure, the four priorities of the Estonian Presidency will focus on:

- an open and innovative European economy
- a safe and secure Europe
- a digital Europe and the free flow of data
- an inclusive and sustainable Europe

Given its proximity to Russia and the importance it places on its NATO membership, Estonia will likely push to ensure that security issues are not used as a bargaining chip in the UK's negotiations. Tallinn will also have to deal with key challenges faced by Malta throughout its Presidency including the migrant crisis, surging populist and anti-globalisation sentiment, the sudden uncertainty of US foreign policy and unpredictable national elections across a number of member states.

Estonia has vowed to *"listen to the views of the relevant interest groups in the work of the European Union. Every initiative should be designed to facilitate the lives of businesses and citizens, and to reduce bureaucracy, using as many e-solutions as possible"*.

The country's Presidency website can be accessed via this [link](#). Through our European networks, Ibec looks forward to working with our counterparts in Estonia and the country's government in supporting the above priorities.

The baton will pass to Bulgaria on 31 December, before Austria assumes the Presidency in the latter half of next year.



Economy and finance

Economy and finance

European Semester timeline:

October:

Eurozone countries submit draft budget plans for the following year

November:

Commission economic forecast; Commission opinions on eurozone budget plans (followed by Eurogroup scrutiny); Annual Growth Survey (common economic priorities for the coming year); Alert Mechanism Report

December:

Eurozone governments adopt final budgets

February:

Economic forecast, country reports (Commission staff analysis of all EU economies, taking into account eurozone budget plans, risks raised in AMR etc - basis for spring recommendations)

April:

All EU countries submit medium-term budget plans (Stability/Convergence Programmes) and economic growth plans (National Reform Programmes)

May:

Economic forecast, country-specific recommendations on budgets and economic policies

June/July:

Council of Ministers (ECOFIN – Finance ministers) formally adopts country-specific recommendations, which are signed off on by Heads of State and Government at the June European Council

Spring 2017 Economic Forecast

As the economy of the EU and the eurozone enters its fifth year of recovery, the commission published its Spring Economic Forecast 2017 which shows that the economy is set to grow at a steady year for the coming year.

The report shows that GDP growth in the eurozone is expected to reach 1.7% in 2017 climbing by another 0.1% in 2018. While the increase is not huge, it shows that the global economy is gathering momentum and global growth is increasing. This is largely helped by emerging economies and the resilience of the Chinese economy.

The forecast for Ireland is positive, with further growth in GDP expected but at a moderate pace. It states that conditions on the labour market will improve but that practices of multinational companies create some unpredictability as they have a tendency to have large statistical effects. Public finances are projected to improve but certain risks to the overall fiscal outlook remain.

European Semester Update

The outlook remains positive for the EU, eurozone and Ireland, according to the European Commission's 2017 Country Specific Report (CSRs). It adds that, while there are still challenges, the economy has been resilient as both the EU and eurozone enter the fifth year of recovery.

The CSRs are guidelines specifically tailored to each member state advising them how to remedy economic problem areas. The Commission bases them on what it believes each member state can achieve in the coming year. They are the final step in the European Semester process, the EU's system of economic governance. The European semester process was introduced to detect, monitor, prevent and correct problematic economic trends in EU member states. The process is built around a number of key aims including:

- ensuring sound public finances (avoiding excessive government debt)
- preventing excessive macroeconomic imbalances in the EU
- supporting structural reforms, to create more jobs and growth
- boosting investment.



Economy and finance

Modernising the EU Multiannual Financial Framework (MFF)

The MFF must be modernised to reflect new challenges and circumstances in the EU and act in areas of clear EU added value. There must be a greater role for innovation and focus on results. With the Commission legally required to propose a post-2020 MFF by 1 January 2018, Ibec is working with BusinessEurope to examine areas where the EU can do just this and how the EU budget can be structured to function efficiently. These messages will then be communicated to the Commission.

The shape of the next MFF, as the financial framework supporting the EU's political priorities, will be an integral part of the Future of Europe debate. As part of the Commission's Future of Europe reflection papers, it plans to launch the reflection paper on the future financing of the EU on 28 June. We must ensure that it is balanced and reflects new priorities for the EU of 27. Ireland, as a net-contributor to the EU budget, must ensure that it plays a role in shaping the post-2020 MFF.

The MFF is not a budget but a framework for the EU's financial planning and budgetary discipline. The idea is to ensure predictable spending within agreed limits, ensure budgetary discipline and to achieve effective policy objectives at EU level. It sets maximum annual amounts ('ceilings') for the EU to spend in the various political fields ('headings') over a five year period minimum, reflecting the EU's political priorities. The MFF also includes the EU's annual budgets for the period along with EU revenue – 'own resources'.

A more flexible MFF (2014-2020) to address new challenges

The Commission launched a mid-term review of the current MFF (2014-2020) in September 2016, which it had agreed to do when it was approved in 2013. The aim is to give the EU more targeted means to achieve its current priorities of jobs and growth; migration and security; ensuring that the payment ceilings are sufficient; and to have a budget with the capacity to react to unforeseen circumstances; and to ensure the maximum impact of EU funds.

The mid-term review of the current MFF is especially important. When it was agreed in 2013, member states were still suffering from the consequences of financial and economic crisis and strained public finances. The result was an MFF with an emphasis on boosting jobs and growth, as well as linking the EU budget with administrative and structural reform. The good news is that the EU is now in recovery. However, old challenges remain and new ones have developed, which require a more flexible approach.



Economy and finance

While there is a degree of flexibility in the existing MFF, it needs more to address new challenges - such as migration, maintaining growth and security issues. Improving efficiency and flexibility could help the EU to respond to evolving needs. The proposed review of the MFF suggests a number of changes aimed at improving it for the remainder of the period up to 2020. It proposes an overall increase of €6.3 billion funding as well as:

- **Simpler and more flexible financial rules** – Some progress on simplifying implementing rules for EU funds and increasing their impact has been made but there is more to be done.
- **Initiatives to close the investment gap:** Strategic investment plans in infrastructure and business to be **bolstered by €2.4 billion** to build on success and strong growth since the financial crisis through a variety of initiatives, including:
 - Competitiveness programmes: Transport - the **Connecting Europe Facility (CEF)**; SMEs - **COSME** and **Horizon 2020** (recently awarded four Irish SMEs €200,000 in EU funding);
 - Youth unemployment - **€1.2 billion boost for the Youth Employment Initiative**;
 - Mobilising private investment – The European Fund for Strategic Investment (Juncker Investment Plan), will receive extra funding to support its extension until the end of 2020 and to help it achieve its goal of mobilising €500 Billion in private investment.
- An **additional €3.9 billion** to be reserved to deal with issues relating to security and migration available for the rest of the current MFF period

Next steps

The Council of the EU and the European Parliament have reached agreement on the Commission's proposals. All that remains is for foreign affairs ministers to give it the final seal of approval. However, this is likely to be delayed as Brexit negotiations take priority with the first phase, dealing with financial 'settlement', beginning on 19 June. This will undoubtedly have an impact on the MFF and amount of funding available to the EU in the future.



Economy and finance

European Commission launches its reflections on the future direction of the Economic and Monetary Union

The European Commission has published the third in its series of Future of Europe reflection papers, “*Deepening of the Economic and Monetary Union*”, aiming to stimulate debate on the EMU and to reach a consensus on its future.

The 31 May reflection paper builds on the [Five Presidents’ Report](#) and analyses next steps in strengthening the Euro, outlining the positive impact of doing so with the eventual objective of fully integrating the EMU.

It highlights the sizeable impact of the global financial and economic crisis on the eurozone reiterating the reality of ongoing challenges such as unemployment. Significantly, it highlights that support for the euro is now back to its 2004 peak. 72% of European citizens are in favour of the euro, undoubtedly among the strongest and most tangible symbols of European integration.

The Commission argues that continued reform of the governance of the euro is necessary to deliver better results for member states, businesses and citizens. It asserts that while reinforcing the EMU will not solve all of Europe’s problems, it is necessary to build the foundations for stronger and more secure growth, in turn stimulating investment, creating employment and fostering social fairness.

A copy of paper can be accessed via this [link](#). The launch is the first step in what will be a long debate and as always, we welcome our members’ thoughts and comments.



[\[Click to download \]](#)



Commission proposes new measures to further enhance compliance and practical operation of the single market

In the last issue of **Ibec Europe & Global Focus** we reported on the Commission's long-awaited **Services Package**.

That initiative was followed up on 2 May with the launch of the "Compliance Package", a platform of practical tools designed to strengthen awareness, compliance and enforcement of fundamental single market rules and ensure that it is easier for companies, citizens and consumers to operate across borders. This comes as a recent assessment by the Commission indicates that lack of competition in services continues to impact European growth prospects.

The Compliance Package consists of three key elements:

- The establishment of a **Single Digital Gateway** – essentially an online portal to consolidate and streamline existing single market information tools such as the Points of Single Contact and the Product Contact Points
- The establishment of a **Single Market Information Tool (SMIT)** to bolster the application and functioning of core single market principles
- The launch of an **Action Plan on SOLVIT** (the existing network of information centres set up in 2002 to assist EU citizens and businesses to ascertain their rights where a dispute has arisen between a citizen or a company and an official body of a member state) to reinforce its use and functioning

Given that business owners are not always aware of their rights and opportunities within the single market, the Single Digital Gateway should go some way to improve and better connect existing tools, and help businesses to complete the most frequently-used administrative procedures and formalities fully online. The portal should make the single market more transparent and in turn more certain and predictable. If well-designed, this tool can really help companies to do business abroad, especially SMEs and start-ups.

We have always maintained that one of the most effective methods of completing the single market is to bolster monitoring and enforcement of core rules to ensure that European companies of all sizes can benefit from a "level playing field" when operating across borders. If properly designed and implemented, the SMIT has the potential to make enhanced enforcement and fairer application of the rules a reality.



Ibec has always been a strong and vocal proponent of deeper single market integration and we welcome the Commission's continued focus on improving single market functionality under this package. That said, under the SOLVIT enhancement proposals, we question the necessity of additional reporting obligations and join with BusinessEurope in opposing the inclusion of sensitive business information on pricing and strategy under the threat of sanctions.

We are working closely with BusinessEurope on formulating an effective response to the proposals in advance of discussions in the European Parliament and the Council of the EU which will shortly get underway.

For further information, you may wish to access the Commission's press statement and supporting material via this [link](#).

A new dawn for European industrial policy?

At its latest meeting on 29 May, the Competitiveness Council – the meeting of the EU's enterprise, industry, trade and economy ministers – called for a comprehensive, coordinated and strategic new policy framework for European industry.

Acknowledging the role of industry as a major source of employment, investment, growth and innovation, the meeting ended with agreement between ministers on a formal set of recommendations calling on the Commission to formulate an extensive policy platform which sets out medium to long term objectives supported by concrete measures embedded within a comprehensive action plan. The aim is to enshrine industrial and manufacturing policy within the EU's core initiatives and to strengthen and modernise the industrial base of the single market. Significantly, the scope goes beyond traditional industrial and manufacturing activities to cover the services and other tertiary activities which support European manufacturing.

In a very welcome development, ministers agreed that it is essential to foster a competitive, forward looking and innovative industrial base in Europe and enhance the attractiveness of Europe's industrial ecosystems for stimulating investment across the wider economy. Ministers called for further streamlining of legislation and action to remove "unnecessary, discriminatory or disproportionate" regulatory barriers in order to improve the functioning of the internal market and to stimulate a more growth-friendly environment.



A holistic approach with targeted policies and legislative initiatives to boost European industrial output is all the more pressing at a time when EU manufacturers, and the services sectors which support them, face intense global competition. BusinessEurope points out that the EU's share of global manufacturing exports has declined by almost 7% since 2004.

Given that the extent to which competitive industrial activity can boost economic performance, Ibec joins with BusinessEurope in supporting the adoption of a strong industrial policy harnessing digitalisation and a commitment to single market completion. Our colleagues at BusinessEurope continue to stay close to developments, frequently engaging with the cabinet of Commission Vice-President Katainen. It is critical to progress the initiative without delay and Ibec supports the Council's call for the Commission to formulate a set of measures and concrete proposals in time for the Spring European Council in Q1-2018.

To access the Council's press statement with a full list of the specific recommendations adopted, please follow this [link](#). For a wider discussion, contact shane.lyster@ibec.ie



Digital economy

Two years after its launch in May 2015, the European Commission has published a [mid-term review of the Digital Single Market \(DSM\)](#). It is a first opportunity for the Commission to take stock of progress made, to examine ongoing initiatives and to reshape priorities to ensure that the goal of digitising the European economy is met.

Commission publishes mid-term review of the Digital Single Market (DSM)

The mid-term review emphasises the need to achieve political agreement on existing proposals with the Council of the European Union and European Parliament.

The European Commission's digital single market (DSM) strategy is one of President Juncker's [ten political priorities](#). It aims to enable the free movement of digital goods and services within the EU by removing barriers to digital trade to strengthen the single market for goods and services for the benefit of businesses and citizens. The Commission estimates that the completion of the DSM could be worth €415 billion per year to the EU economy.

The mid-term review proposes actions in three key areas including: **online platforms, data economy and cybersecurity**.

On the data economy, the Commission expects to have a legislative proposal supporting the free flow of non-personal data within the EU by autumn 2017. It is aiming to have an initiative on the accessibility and re-use of public data for spring 2018.

The Commission will review the [2013 EU Cybersecurity Strategy](#). It will also evaluate the mandate of the European Union Agency for Network and Information Security (ENISA) to better align it with the [Network and Information Systems Directive \(NIS\)](#). This will be alongside developing measures on cyber security standards, certification and labelling.

The mid-term review also calls on member states to implement the New Skills Agenda and the Digitising European Industry Strategy as soon as possible, while outlining the Commission will add further action to the eGovernment Action Plan and publish an implementation roadmap for the European Open Science Cloud.

Ibec shares the Commission ambition of a globally competitive digital single market. We encourage policy makers to continue to prioritise the completion of a digital single market that secures trust through smart regulation, ensures the free flow of data, attracts mobile digital talent and investment; promotes the development of digital skills; and encourages digital entrepreneurship and continued investment in digital infrastructure and innovation. Key areas for business include:

- Urgent legislative action is required to enable free cross border movement of data and to eliminate national localisation requirements and to foster an open, competitive and innovative digital single market.



Digital economy

- Access, transfer and re-use of data between businesses should not be hindered through further Regulation. These emerging data issues need to be determined case by case and are served best through existing contractual practices. Legislating in this area would have a chilling effect on the data economy.
- The recently proposed ePrivacy Regulation should not duplicate and contradict the General Data Protection Regulation (GDPR) as that would not enhance trust and security in electronic communications. It should not set disproportionate and overburdening rules on a wide range of service providers to the detriment of Europe's innovative capacity.
- Improving cybersecurity will foster trust within our digital economy. This needs to remain internationally relevant. Taking isolated approaches will limit our security capabilities. Schemes in support of cybersecurity should cover a wide number of products and services and be adaptable to developing security risks.
- The new skills agenda for Europe should take a cross sectoral approach and ensure employers play a strong role in digital skills and jobs coalitions to link EU digital skills and STEM skills better.

Europe's Digital Progress Report 2017

The EU published the annual [Digital Progress Reports](#) in May. Ireland maintained its 2016 rank of eight for overall digital performance and remains as one of nine high performance cluster countries.

For further information about Ibec's digital policy activities and campaigns, please visit us at www.ibec.ie/digitaleconomy.



Social and labour policy

Forming an essential element of the broader debate on the future of the EU, on 26 April, the Commission launched a comprehensive new policy initiative – The European Pillar of Social Rights – reflecting on Europe’s social dimension and seeking to build a “more inclusive and fairer European Union”.

The European Pillar of Social Rights – a bold new approach to Europe’s social future?

The strategy addresses the rapid transformation of European societies and the world of work and makes a number of recommendations for our collective response.

The Pillar lists 20 core principles with four overarching objectives:

- 1. Improving work/life balance**
- 2. Enhancing workers’ rights to information**
- 3. Responding to precarious (‘zero hours’) contracts and conditions in the ‘gig’ economy**
- 4. Revising the Working Time Directive**

Formulating a coherent structure to deliver social objectives and enhance protections is of course a positive step for our citizens and communities. It is recognised that this is all the more vital in today’s changing world of work. However, Ibec contends that doing so without reference to fundamental economic questions is illogical. Instead, a holistic and complimentary approach which recognises and enshrines the critical role of business, employment and growth is likely to be much more effective in delivering enhanced social goals, rather than over-regulation and costly administration. Quite simply, without a sound economic Europe, we cannot achieve a sound social Europe.

There are 70 existing EU directives which provide workers with significant rights – all proudly supported by Irish business. While the Commission stresses that it does not seek to restate or modify this existing body of rights and obligations, Ibec is concerned about the obvious infringement of member state competencies in many of the recommendations made. In addition, the Pillar fails to identify who is expected to fund particular measures – the employer or the state. Further, a number of the principles have conflicting elements.

To address the key social and economic challenges faced by Europe, Ibec contends that member states governments would be better encouraged to progress structural reforms in their own labour markets in order to:

- Ensure a greater match between job opportunities and skills shortages within education and labour market activation activities
- Enable a range of employment contracts to facilitate the changing demands of employers and employees alike
- Ensure the availability of quality and affordable childcare to encourage greater female participation in the labour market
- Reform social protection systems to better manage demographic challenges and long-term unemployment and address disincentives to work



Social and labour policy

There is still no agreement on proposed changes to the Posting of Workers Directive. Originally announced in March 2016, the contentious proposals would significantly revise the terms of the original directive which governs the role of the ‘host’ member state when an employee is temporarily relocated by an employer to carry out duties or provide a service in another member state.

The EU has an important role to offer in supporting these national reforms through awareness raising and sharing of best practice. That said, any action taken by the EU must be cognisant of the principles of subsidiarity and proportionality.

The launch of the [European Pillar of Social Rights](#) is the first step in what will be a hotly debated topic for months and perhaps years to come. Ibec will remain close to the debate and we welcome input and thoughts from our members and stakeholders.

Progress continues to find agreement on changes to the Posting of Workers Directive

With 11 central and eastern member states maintaining their firm opposition to all changes, the European Institutions are now under growing pressure to reach a compromise agreement before the summer break. The Employment and Social Affairs (EMPL) Committee, the committee responsible for coordinating the European Parliament’s position, will hold a vote on 12 July. Following agreement between the major political groups, the Internal Market and Consumer Protection (IMCO) Committee has already delivered its opinion which includes a particularly helpful assessment of the long term posting provisions. Finally, the Justice (JURI) Committee is still in the process of discussing changes to the legal base of the proposals.

Meanwhile, in the Council of the EU, under the direction of the Maltese Presidency, the most recent proposals delete the provisions on subcontracting (perhaps the most controversial element), but maintain the problematic new rules for postings longer than 24 months.

In advance of the next meeting of Social Affairs Ministers at EPSCO (the Employment, Social Policy, Health and Consumers Council) on 15 June, BusinessEurope has reiterated its position to member states’ representations. It strongly advocates for the subcontracting clause to be dropped in full while calling for an assurance that provisions on long term postings do not contradict the existing arrangements. Further, the term “minimum rates of pay” should be maintained in the final text (and not replaced with reference to “remuneration”) and defined in line with ECJ jurisprudence. In Ibec’s view, the term “minimum rates of remuneration” is far too imprecise, gives room for various interpretations and will create legal uncertainty.

As always, Ibec will continue to monitor the progress of the file in cooperation with our partners at BusinessEurope.



Environment,
energy and climate

Ibec participates in inaugural stakeholder conference on the circular economy

On 9 and 10 March, the European Commission held its first stakeholder conference on the circular economy, in cooperation with the European Economic and Social Committee.

Over 600 delegates from all sectors of society – industry, trade unions, NGOs, government agencies and academics attended the conference in Brussels, including Ibec's Green Business Executive, Anne Murphy. The common message: all stakeholders are eager to support Europe's transformation to a circular economy.

Having launched its Circular Economy Package in December 2015, the European Commission aims to reduce the amount of waste generated by member states and to ensure that products, materials and resources are maintained in the economy for as long as possible. In his opening address to the conference, the Commission's First Vice President Frans Timmermans stated: "the transition to a circular economy is a technological challenge but one that can be overcome if every citizen of Europe, the public sector, private sector and the NGO community are engaged".

Commissioner for the Environment, Maritime Affairs and Fisheries, Karmenu Vella, added that "half of the actions proposed have been delivered". With this in mind, the Commission will now focus on three initiatives during 2017; the strategy on plastics, the reuse of water and the presence of harmful substances in what we manufacture.

The conference highlighted particular challenges faced by the SME community in transitioning to a circular future. Many are sceptical that the time and financial investment is worthwhile, whilst others cite the regulatory burden and overly-bureaucratic public funding procedures as major issues. There was a call to improve the framework conditions for green investments and address the perception that investing in the circular economy is too high a risk if the payback is longer than two years.

Given that the circular economy package will impact on all Irish businesses, Ibec is helping our members to become more sustainable and ensuring that they influence the strategies and legislation proposed. For a further discussion, please contact anne.murphy@ibec.ie

The conference was recorded and sessions can be viewed online via this [link](#).



Global trade

CETA

The Canadian Senate approved legislation in early May to pave the way for the partial implementation of CETA between the EU and Canada.

The legislation was also given royal assent and is now an official Act of Parliament. The European Parliament already approved CETA in February this year though it must be ratified by all member states before it can be fully implemented. According to the terms of the deal, provisional application can begin from the start of the following month after both sides have completed the necessary internal steps. The EU and Canada must now exchange letters to mutually approve a date to begin provisional application.

In order to benefit from origin preference under CETA, exporters need to apply for a REX number by filling out a form and sending it to their local customs office. (You can find the form [here](#).) The REX number must then be included on the invoice or another commercial document identifying the exported products.

The REX system is being introduced this year. It is a new certification of origin system - exporters must register to get a REX number this year regardless of CETA. 2017 is a transition year from the old system to the REX system so an exporter that is approved for export under other FTAs but still does not have a REX number can use their approved exporter number to claim origin preference under CETA until 31 December 2017. REX is a self certification system - registered exporters self certify the preferential origin by including a specific declaration on the invoice or another commercial document identifying the exported products.



Global trade

EU-Singapore FTA – opinion of the Court of Justice of the EU

The Court of Justice of the EU (CJEU) has given its Opinion on the competency of the EU to conclude the EU-Singapore FTA. On 16 May 2017, it held that the FTA can not be concluded by the EU alone, that member states must also ratify the agreement – similar to CETA.

The European Commission requested this opinion of the Court to clarify the status of 'new generation' FTAs (trade agreements which go beyond the traditional provisions addressing customs and NTBs).

In particular the Court held that provisions relating to non-direct foreign investment (or portfolio investment) and investor-state dispute resolution are not within the exclusive competence of the EU. This means that the agreement can not be concluded without the participation of member states. The Court ruled that non direct foreign investment and investor state dispute settlement are shared competences of the EU and the member states.

In practice, this means that any FTA that includes provisions on non-direct foreign investment and investor-state dispute resolution must be ratified by the EU and member states. FTAs that only cover exclusive competences of the EU will not have to be ratified by member states.

This clarification enables the Commission to conclude agreements on a whole range of issues. The Court held that the EU has exclusive competence in:

- Market access of goods and services, energy generation from non fossil sources and public procurement;
- Protection of direct foreign investments of Singapore nationals in the EU and vice versa;
- Intellectual property rights;
- Provisions aimed at combatting anti-competitive activity;
- Sustainable development (the Court found that the objective of sustainable development is now a core one of the EU commercial policy);
- Rules regarding exchange of information, obligations governing notification, verification, cooperation, mediation, transparency and dispute settlement between parties.



Global trade

US Trade Policy

On April 29, 2017 US President Trump signed an Executive Order creating the Office of Trade and Manufacturing Policy (OTMP).

The stated mission of the OTMP is to 'defend and serve American workers and domestic manufacturers while advising the President on policies to increase economic growth, decrease the trade deficit and strengthen the United States manufacturing and defence industrial bases.'

Peter Navarro has been appointed Director of the Office. His role is to advise the President on strategy, serve as a liaison between the White House and the Department of Commerce and to carry out trade related projects as requested by the President. Finally, he will work to improve the executive branch's domestic procurement and hiring policies (for example through 'Buy American and Hire American').

A second significant appointment in US trade policy came on 15 May, when Robert E. Lighthizer was sworn in as the United States Trade Representative (USTR), completing President Trump's cabinet. The Office of the U.S. Trade Representative is responsible for developing and coordinating U.S. international trade, commodity, and direct investment policy, as well as overseeing negotiations with other countries.

Ambassador Lighthizer is an experienced trade lawyer and negotiator. He previously served as Deputy USTR in President Reagan's Administration and played a key role in Reagan's economic programme. He is known for advocating for the type of 'America First' trade policies supported by President Trump.

Though details of the Trump Administration's trade strategy remain unclear, it is clear that the EU will have to take a leadership role in international trade policy and promote free trade principles.

In March, the Ibec board met for the first time outside Ireland in New York. The programme encompassed a number of stakeholder meetings in Washington as well as a joint business summit with the Ireland-US Council. The Ibec team and board members used these engagements to position Irish business positively, to emphasise the balance of trade between our two countries and of course the substance of the Irish business model.





Global trade

US Trade Consultation

In May 2017, the Office of the US Trade Representative and the Department of Commerce ran a consultation on US trade deficits. Ibec took the opportunity to make a submission in light of the potential impact of US trade policy on Irish business and the economy.

Focusing on exports and imports, Ireland has a balanced trading relationship with the US. The US currently runs a trade surplus with Ireland worth approximately US\$3.2 billion for goods and services, which is modest in terms of the overall level of US trade. The key driver of this surplus is US services exports to Ireland which were US\$33.6 bn in 2015. As Ireland only exports \$12.1 bn worth of services to the US, the US runs a services trade surplus of \$21.5 bn. In terms of merchandise trade, the US currently runs a trade deficit with Ireland worth \$18.4 bn. This is still very small in terms of overall US trade as Ireland only accounts for 1.7% of the total goods imports to United States.

EU-Japan FTA negotiations

The most recent round of negotiations between the EU and Japan was held in April. Both sides are now aiming to conclude in 2017 and it is hoped that any outstanding issues can soon go to the political level to be resolved.

Ibec supports the conclusion of this agreement and calls on both parties to remain ambitious and committed. Concluding a high quality comprehensive agreement should remain the priority.



Global trade

European Commission reflects on how to better harness the benefits of globalisation

On 10 May, the European Commission published another of its comprehensive reflection papers as part of the Future of Europe debate. The “Harnessing globalisation” paper assesses what contemporary globalisation means for European society.

Undoubtedly bringing many benefits to European business and consumers alike and providing a fundamental foundation for innovation, job creation, competitiveness and growth, globalisation now faces a crisis as many start to question its legitimacy. The distorting impact of digitalisation, the impact of mass immigration and the disconnect between economic models and social frameworks is also contributing to this debate.

The paper suggests that Europe must prepare itself for the future, taking steps to exploit the opportunities and address the inevitable challenges of digitalisation. The reality is that certain tasks on production lines and in factories will no longer be conducted by humans, transforming the labour market and requiring a major focus on long-term education and re-skilling.

The paper warns that protectionism on the one hand and self-regulating markets on the other hand will never provide effective solutions. Instead, more global governance, international regulatory cooperation and an enhanced system of rules will be necessary to better harness globalisation's power and mitigate its harmful effects.

Ibec supports the Commission's assertion that protectionism should never be a response to managing the negative impact of globalisation. Instead, Ibec supports the concept of smart and balanced global regulation. We look forward to contributing to the debate highlighting how the positives of globalisation have greatly benefitted the substance of the Irish business model.

You are encouraged to access a copy of the Commission's paper via this [link](#).



[\[Click to download \]](#)



Ibec Europe events and activities

On 21 March, just prior to the festivities to mark the sixtieth anniversary of the signing of the Treaty of Rome, Ibec hosted its annual St Patrick's engagement and networking event at the European Parliament.

Brussels gathers to discuss Irish business priorities at St Patrick's Event

This year we were pleased to partner with our long standing friend, Seán Kelly, EPP MEP for Ireland South and leader of the Fine Gael delegation in the European Parliament, as co-host.

We welcomed over 200 guests, including senior officials from the European Commission and the Irish Permanent Representation. Stakeholders and representatives from our member companies and partners were also well represented, with strong European Parliament attendance by MEPs and officials from rights across the breadth of the EU, both geographically and politically.

The celebratory tone of the event was complimented by the strong sense of optimism in the addresses made by Pat Ivory, Ibec's Director of EU & International Affairs, Seán Kelly MEP, Phil Hogan, European Commissioner for Agriculture and Rural Development, and Ambassador Declan Kelleher, Permanent Representative of Ireland to the EU.





Ibec Europe events and activities

In line with the event's theme, the speeches centred on the opportunities for Ireland and Irish business as Europe looks to its future. Commissioner Hogan and Seán Kelly MEP both emphasised the positive contribution of Ireland and Irish business to the EU since our accession in 1973, expressing their confidence in the EU27 moving forward and the opportunities that a reinvigorated Europe will deliver for Ireland.

Ambassador Kelleher delivered a strong message on Ireland's credentials to host the European Medicines Agency. Pat Ivory reiterated Ibec's priorities for the Brexit negotiations and outlined Ibec's key messages for the future of the EU, emphasising the need to complete the single market in services and digital and stressing the importance of granting greater leniency under fiscal rules to allow members states a better opportunity to invest.

Our St Patrick's Event in the European Parliament is one of Ibec's flagship annual events and is always a highlight on the Brussels St Patrick's week calendar. We are grateful for the support of our sponsors, member companies and partners for helping make the evening such a memorable occasion.

To join our mailing list and ensure you receive an invitation to future events, please forward your details to ibec.europe@ibec.ie





Ibec Europe events
and activities

Ibec participates in highlevel BusinessEurope dialogue in Malta

**In early May,
Ibec Europe
travelled to Malta
to participate in
BusinessEurope's
bi-annual Council
of Presidents
meeting.**

Hosted by the Malta Chamber of Commerce, Enterprise and Industry, high level discussions focussed on the business implications of recent and forthcoming elections across member states (specifically the UK, France and Germany), the future of EU-Turkish cooperation in the aftermath of the constitutional reform referendum, formulating a response to the Future of Europe debate and concerns on a wider global scale vis-à-vis the US and China.

Ibec's Pat Ivory used the opportunity to stress the importance of a quick resolution to the first phase of Brexit negotiations to allow the best possible opportunity to focus on a comprehensive free trade agreement which best serves Irish and European business as part of the second phase. We made the point that a strong Irish business model contributes to a strong EU27 business model. Ibec also updated delegates on the impressive recovery in Ireland's economy and employment market and pledged full support for Ireland's role in a future EU which is efficient and effective and which best serves the needs of business, citizens and communities.

The next Council of Presidents meeting will be hosted by our colleagues in the Estonian business and employers' federation in Tallinn in December. Meanwhile, for further information about the campaigns and activities of our partners at BusinessEurope, please visit www.bussinesseurope.eu



Ibec Europe events
and activities

Ibec actively supports formal launch of EMA relocation campaign

Last month, the Minister for Health, Simon Harris TD, formally launched the Government's campaign to host the European Medicines Agency after its relocation from London.



Ibec is proud to represent the industry's support for the campaign working with our members and colleagues in our sector units – the [Irish MedTech Association](#) and [BioPharmaChem Ireland](#).

Employing close to 900 staff and requiring an estimated 30,000 hotel nights per year for visiting delegations, hosting the agency would bring significant economic benefits as well as a vote of confidence in the Irish business model and regulatory community. A website and special marketing brochure has been unveiled at www.emadublin.ie and we encourage you to support the campaign and spread the key messages using the official twitter account at twitter.com/dublinforema.

On 23 May, reports emerged of the Commission's criteria and bidding process to select a new host city. The deadline for submissions has been set as 31 July at which point the Commission will consider each bid's suitability in respect of the ease of ensuring "business continuity" and minimising disruption to existing services, housing and infrastructure capabilities, international connectivity, hotel and hospitality capacity, availability of international schooling in addition to suitable office accommodation and archiving resources. There will be a number of rounds of voting in the Council where two remaining cities will face a final vote in October.

In addition to satisfying all of the above criteria, Ibec believes that Dublin's bid goes further by offering cultural and linguistic similarities to London, a familiar legal system, ample employment opportunities for spouses of EMA staff and the obvious ease of physical relocation and commuting options from London.

Ibec looks forward to continued engagement with the Department of Health, the State Agencies and the Permanent Representation of Ireland to the EU as we continue to raise awareness of our members' support for the campaign.



Ibec Europe events and activities

Ibec partners with POLITICO, promoting Ireland as a model of substance

Ibec has entered into a partnership with leading international media outlet POLITICO as part of a campaign to promote the substance of the Irish business model and address recent challenges to Ireland's international reputation.

Our current campaign tells the story of why Ireland is a model of substance, using a number of key themes and facts as messages. On 5 May, our CEO Danny McCoy contributed a well received opinion piece to POLITICO Europe online and this was followed by a visit to Ibec HQ by POLITICO Europe's Managing Editor, Matthew Kaminski. Ibec was headline sponsor for a week-long run (22 to 26 May) of POLITICO's Brussels Playbook. This hugely popular daily briefing on what's driving the agenda in Brussels provided the perfect opportunity to showcase the substance of Ireland's business model to our target audience among European decision makers and influencers.

Our cooperation with POLITICO represents the latest in a planned enhancement of Ibec's media and PR outreach in Brussels. Please get in touch with the team to discuss any aspect of this partnership and indeed the wider campaign in further detail.

For another chance to read our opinion piece in POLITICO online follow this [link](#). Our Brussels Playbook material can be accessed [via this link](#).



Ibec Europe events
and activities

Ibec's HR Leadership Summit recognised at European Association Awards

An Ibec delegation recently attended the inaugural European Association Awards in Brussels, where our 2016 HR Leadership Summit was recognised with a “highly commended” award in the Best Association Conference category. The European Association Awards recognise excellence in the provision of member services within trade associations and professional representations throughout Europe.

Ibec's HR Leadership Summit 2016 – “winning workplaces” – took place in October last. Attracting more than 400 HR directors, managers and business leaders, global speakers explored the key trends affecting the workplace and armed delegates with the essential tools to remain dynamic, innovative and competitive.

We are pleased to announce that registration has already opened for 2017's edition of the HR Leadership Summit. Follow [this link](#) for all the latest information.



Pictured celebrating the “highly commended” award in the Best Association Conference category at the European Association Awards in Brussels on 24 February are (left to right), Ibec's Danai Lazari, Shane Lyster, Helen Quinn, Rebecca Thompson, Aleksandra Kobajlo, Fiona Higgins, Sarah-Jane Willoughby, Alan Sherlock and Andra Bodoni



Ibec Europe events and activities

Reminder of next Committee meeting date – Thursday, 6 July

The next meeting of **Ibec's EU & Trade Policy Committee** will take place on the morning of Thursday, 6 July at our Dublin HQ. The committee is comprised of representatives of a number of our member companies and has primary responsibility for shaping Ibec's policy positions and engagement strategies across EU affairs, international trade and wider global issues. We actively encourage all Ibec member companies with a particular interest or stake in European Affairs or international trade policy to participate in our committee and to contribute to our activities.

To register your attendance or to join the committee's mailing list, please contact any member of our team.

Changes to the Ibec team in Brussels

Our members and stakeholders will wish to be aware of staff changes within Ibec's EU & International Affairs team and specifically within our Brussels office. **Aoife Doyle** has now left us on maternity leave and we wish her all the very best. Meanwhile, **Doreen Burke** has joined the Ibec Europe office as a Junior Executive for EU Affairs and we also welcome **Neil Willoughby**, our newest EU Policy Intern. Both Doreen and Neil join us from the Robert Schuman traineeship programme at the European Parliament, where Doreen researched international trade issues and Neil focussed on external elections monitoring and democratisation.

Ibec is a member driven organisation. Our objectives are best achieved when shaped by our members' own experience and insights. Please do not hesitate to get in touch directly with any member of the team. You will find our contact details via this link.

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