

Introduction

This submission is presented on behalf of the South East Action Plan (SEAPJ) for Jobs. The SEAPJ has set itself the strategic ambition to close the gap that exists between the south east and the rest of the country in terms of wealth and employment. In particular, the main objectives of the SEAPJ are to:

- boost job creation (i.e. support creation of 25,000 net new jobs by 2020. 13,000 new jobs have been created in the region since Q1 2015 – base year); and
- reduce the unemployment rate (i.e. to within 1% of the national average by 2020. The national average is currently 6.8%, whereas the latest regional unemployment figure is 9.4%¹ - second highest in the country).

The content of this document is aligned to these objectives.

Challenges for the South East

The region faces a number of challenges. It is underperforming and is not getting its share of economic growth:

1. **High Unemployment:** The south east has a higher level of unemployment (i.e. one of the highest in the country at 9.4% compared to 6.8% nationally).
2. **Low levels of Wealth:** The Gross Value Added (GVA) per person in the region is the 3rd lowest of the 8 regions in the country at c71% of the national average and disposable income at c93.5% of the national average is also 3rd lowest.
3. **Lower Quality Jobs:** The bulk of the labour force are still employed in relatively lower quality jobs (e.g. only 25% of all manufacturing jobs are in high technology related areas; and the region has the lowest rate of STEM-related graduate employment in the country), and there is still an over-reliance on traditional enterprises and low skilled service work and part-time employment.
4. **Low Third Level Profile and Capacity:** The region has lower third level education attainment rates and relative under investment in the existing third level education base.
5. **Brain Drain:** Circa two thirds of students accessing third level education do so outside of the south east and only circa 40% subsequently return to the region.
6. **Lack of Property Solutions:** There is a lack of high quality office accommodation available, especially for inward investment projects. The IDA are committed to build two new Advance Technology Buildings (i.e. in Carlow and Waterford) by the end of 2018. However, these alone will not be sufficient to cater for the significant levels of FDI the region needs.
7. **Housing Shortages in the main Urban Centres:** While the situation in the south east is not as critical as in the major cities, there is a shortage of housing in the region.
8. **Insufficient FDI:** While recent IDA supported announcements (e.g. Nypro Healthcare, West Pharma, Bausch & Lomb, Opko, etc.) in the region are welcome, the south east with circa 11% of the state's population is not attracting a fair share of FDI. FDI employment in the region grew by just over 4% in 2016 – the second lowest of all 8 regions.
9. **Insufficient number of HPSUs:** While the region has some great indigenous innovative enterprises that have started and scaled in the past 10 years (e.g. Eirgen; NearForm; etc.) there are just not enough of them.

¹ CSO Quarterly National Household Survey, Q4 2016, published in February, 2017

10. Regional Collaboration: It is essential that the south east unites and collaborates (e.g. for the purposes of branding and selling the region; attracting inward investment; and delivering on essential regional infrastructure.)

Opportunities

1. Build on the SEAPJ structure and collaborative efforts to date. Since its launch the SEAPJ has proved to be an effective structure that should be maximised as a **vehicle for the future economic development of the region** (e.g. in the preparation of the Regional Spatial and Economic Strategies). All of the state agencies with a role and remit for economic and enterprise development in the region are involved in the SEAPJ. The SEAPJ also has a number of local champions (e.g. successful entrepreneurs from the region), and their participation brings an entrepreneurial approach to the process and ensures a real public-private partnership.
2. **Develop a new value proposition for the region.** The main purpose of the new value proposition is to: unify the region; focus on positive messages of what the region has to offer; help stakeholders overcome challenges; get the message out that the region is progressive (e.g. there are a growing number of good quality job opportunities; career prospects; etc.) This is not merely about developing a logo, a website or strapline phrase. It is a 'call to action.' It is about encouraging everyone in the South East to "sing from the same hymn sheet" as to why the region is a great place to live, visit, work and to do business.
3. Maximise the forthcoming Competitive Call to progress the **strategic projects emerging in the region** (e.g. provide advanced incubation/innovation facilities for indigenous start-up businesses across the region – especially in the ICT and digital sectors).
4. **Boost inward investment.** A key element of this strategy must be on identifying and targeting Brexit opportunities.
5. Develop **clusters of excellence**, based on the region's traditional and growing strengths: Agri-Food; Engineering; Tourism; Creative Industries; Financial Services; and Pharma & Med-Tech. This will include actions to drive greater innovation in and collaboration between businesses in these sectors, increase productivity and competitiveness and generate new business – in particular a greater number of HPSU's.
6. Develop a **regional greenway / blueway network** in the south east as a major tourist attraction.
7. Enhance the **third level education and research** capacity and provision in the region. In particular, finalise a decision on the Technological University for the south east.
8. Improve **regional connectivity** in terms of broadband and transport networks. In particular, while the region is well served with north-south road infrastructure (e.g. M8, M9 and M11 access through the region to Dublin), east- west connectivity can be enhanced. An east-west motorway from Wexford through Waterford, South Kilkenny and South Tipperary to Limerick, linking with the M9 motorway at Waterford and M8 at Cahir would enhance connectivity within and between regions in the southern half of the country. Furthermore, significant improvements to the N80 from Portlaoise to Rosslare will enhance connectivity with the Midlands.

SHORT/MEDIUM/LONG TERM PRIORITIES

Immediate Priority

Develop and promote a **brand proposition** for living, working, visiting and doing business in the region. Develop a Marketing Plan that communicates the unique offering, strengths, experience and reputation of the south east. The SEAPJ have already agreed a 'brand platform' (in June 2016) that is now being developed into a strong value proposition to market the region. The intention is that the new value proposition for the

south east will have the ‘buy-in’ of all of the main stakeholders with a role and remit for the development of the region.

Short Term Priority

Increase FDI. The IDA’s Strategic Plan ‘Winning in the Regions’ lists 6 key factors crucial to attracting and retaining FDI in the regions. These are listed in the Table below along with comment in relation to the position in the south east:

	Key Factor	Comment
1.	A critical mass of population and urban centres	South East has a population of c570K with 5 large urban centres (i.e. with >20K pop) in the region
2.	The ability to attract and develop appropriate skills/talent	South East has a labour force of c250K. Targeted strategy required to get more talent to the region (e.g. third level graduates that have left to return) and a major increase in third level education and research
3.	The existence of clusters in specific industry sectors/activities	The SEAPJ has identified 6 sectors with the greatest potential for job creation in the region, namely Agri-food, Tourism, Creative Industries and Engineering, as well as growing sectors in Life Sciences and Financial Services. The objective is to build clusters of excellence in these traditional and growing sectors
4.	Alignment with the IDA global team’s targets for the sectors, geographies and new opportunities	The SEAPJ accepts that a comprehensive marketing strategy aligned with the IDA strategy is needed. The strategy will target key foreign markets and sectors as well as Dublin - fact that it has capacity constraints in terms of housing, traffic infrastructure and affordable office space for business; and Brexit Opportunities (i.e. businesses that might be thinking of leaving London and other UK cities)
5.	Regional infrastructure and place-making, including social and cultural capital	The SEAPJ aims to capitalise on the strong quality of life and low cost of living features of the region
6.	Availability of property solutions and those planned over the short, medium and longer term of the strategy.	Each local authority in the region has ambitious and well developed plans to deliver advance office space that will support the IDA strategy for FDI (e.g. Trinity Wharf, Wexford; Creative Quarter, Kilkenny; North Quays, Waterford; Ballingarrane, Clonmel). We firmly believe the remit of the IDA to facilitate the development of sites and buildings, should be expanded to include supporting these key local authority driven developments, especially given the private sector have been unable to deliver such solutions in recent years. The SEAPJ will include the marketing of these key strategic developments in the planned marketing campaign

Medium Term Priority

Establish a **Technological University** (multi-campus model) for the South East and accelerate the relocation of the LIT Clonmel campus from its current location. This is critical in ensuring the long-term sustainable economic development of the region. Pending a decision on the Technological University for the South East, decisions on investment in the existing Institutes of Technology are being delayed. Furthermore, a borrowing

framework needs to be put in place for the Institutes of Technology and the new Technological University, so that they have parity with universities.

Long Term Priority

Develop the south east into a beacon of success for regional development. This would result in a dramatic turnaround of key economic indicators including: bringing unemployment levels below the national average; GVA levels above the national average; and third level education investment and capacity at a par with the rest of the country.