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# Speech to Cork Chamber of Commerce Members' Breakfast with An Taoiseach Leo Varadkar T.D.

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## Introduction

Good morning, ladies and gentlemen, I would like to welcome the Lord Mayor, many colleagues from the Oireachtas, as well as from the European Parliament.

Thank you Conor and Bill for the invitation to attend this breakfast event. I am privileged to be here at Páirc Uí Chaoimh, the home of so many great sporting occasions. And I welcome this opportunity to speak to a Chamber of Commerce which I know has played a leading role in driving success in the Cork region for almost two hundred years.

And I am particularly pleased to do so on what is my first official occasion in Cork as Taoiseach and the day on which we shall have a special cabinet meeting here in Cork dedicated to the issues of Brexit and reforming the health service.

## Hugh Coveney

Before I begin, I want to pay tribute to someone who was president of this Chamber of Commerce in the early 1980s and served both Cork and this country with great distinction. Hugh Coveney was a remarkable public servant and played a leading role with Cork Chamber before going on to serve as lord mayor and later TD and minister. His achievements include helping to set-up the Irish Heart Foundation, an important role in the Northern Ireland peace talks in the mid-1990s, and he is very much remembered as a courteous and determined man, and he took that approach to so many issues. Hugh Coveney was someone who worked tirelessly for Cork and today his spirit of public service is continued by his children, including of course, Simon, who is with us today.

## Jack Lynch

In the spirit of new politics – and especially given that we are here this morning - I would also like to pay tribute to Jack Lynch. As you know this year is the centenary of his birth, and I am delighted that Declan Hassett has written a play to commemorate the anniversary, and celebrate a remarkable man in sport and politics. I don't know if there will ever be another player who will win 6 All-Irelands in a row – of course, he had the advantage of being able to win one in football the year he lost at the hurling!

In 1960 he spoke in Cork Chamber and confidently reassured people that there was 'good reason to be optimistic about future prospects'. And as Taoiseach I come here to you to, fifty-seven years later, with the same message.

Despite the challenges of Brexit, and everything else that is happening in the world, there is every good reason to be optimistic about the future of Cork and the future of Ireland.

This confidence is grounded in our economic policies which are providing stability and an opportunity to plan for the future.

## Budget

And I think you can see that in the approach we took to the Budget this week. Budget 2018 is an expression of our values and aspirations for the country, and is a powerful statement about how the economy is doing, and what that means for our society. It also reflects valuable input from chambers of commerce across the country, none as eloquent or as finely judged as the one from this Chamber. We agree with you about the importance of balancing the books, and have succeeded in doing so for the first time in ten years. And we agree with you that the next generation should be free from the burden of excessive debt, and want them to be optimistic about building their future and their lives here. And we agree with you about the need to continue debt reduction, all the time proceeding with prudence and responsibility, so that we do not repeat the mistakes of the past. So Budget 2018 reflects our shared values and aspirations.

We believe in sustainable tax reductions for middle income earners and middle income families so that we can make life easier for those who work hard and through their taxes and their work fund our public services and welfare system.

We've started that process, increasing the standard rate cut off point for the first time in a very long number of years.

We believe in helping people who need it the most, including those in receipt of social welfare.

We believe in increasing budgets for public services so we can make a real difference in the areas that matter to many people, such as education, health, and housing.

Our philosophy is simple. When we have it, we make it count.

We don't squander it, and we don't spend money for the sake of spending it.

We invest in the future.

And we'll always spend money carefully because it is of course your money not ours. The Budget provides the foundation stone for us to build long-term.

This is seen in our investments in education and health, both are now the largest in the history of the state. And also the 50% increase in the budget for housing.

We have faith in the future because we have learned from the mistakes of the past.

#### Brexit

Back in the 1950s the government decided to take an independent course and took the decision not to increase interest rates just because the British government had. The thinking behind this independent economic policy was explained by the Taoiseach, John A. Costello, at another gathering of the Cork Chamber of Commerce back in 1956. He explained that significant changes in our economic policy, as Ireland, as an Irish nation, should be dictated by our own interest and not by events and conditions elsewhere whether in Britain or in Europe.

And I think this approach was the right decision and we have adopted the same approach when it comes to Brexit, putting Irish interests first.

We have already taken a number of actions to mitigate some of the economic risks arising from Brexit, but challenges and questions arise. We still don't know what the outcome of the Brexit negotiations will be and what Brexit really means. We are already experiencing currency fluctuations which are having an adverse impact on businesses particularly in sectors which are exposed due to trade with the UK, such as agri-food and tourism.

Our Enterprise Agencies – Tourism Ireland, Enterprise Ireland, the IDA, Bord Bia – are continuing to work directly with businesses offering advice and support to help them meet these challenges. And we have also provided resources in the Budget to double the number of Brexit-response Staff at these State Agencies. The investment of another €3 million will enable the recruitment of a further 50 staff, thus doubling the number 100 in 2018. Minister Coveney has also announced the opening of new embassies in Chile, in Bogata, in the Middle East, in Jordan, as well as two new missions in Mumbai and Vancouver. This is tangible evidence of the plan I set out in Toronto to double Ireland's global footprint being implemented, something we should be doing anyway even if there was no Brexit.

Also, the Budget provides for a €300 million Loan Scheme to cheaper credit to SMEs and food businesses. This will provide affordable financing to businesses that are currently impacted by Brexit or may be in the future. The new scheme is being delivered by the Strategic Banking Corporation of Ireland and is open to all SMEs and large firms employing fewer than 500. It will see a sizeable reduction in interest rates for lending to about 4%.

We are also delivering targeted investments in agri-food, tourism and other sectors to help them respond to the challenge. And the work of Minister Creed is particularly significant here.

Cork employs over 21,000 people in the tourism and hospitality sector, and to aid this we have provided significant additional funding for marketing Ireland overseas, while also retaining the special 9% VAT rate for the tourism, hospitality and the leisure sectors which is something your members campaigned for very strongly.

#### Planning for the Future

Because we have moved now from crisis management we are now in the position where we can plan for the future and ready ourselves for the inevitable changes that we must face into the future.

For Ireland to succeed, we need to think long-term and that means planning for an Ireland which we believe in 2040 will have a population of 6 million, and with Northern Ireland will have a population of 8 million.

So, Budget 2018 prioritises investment in our infrastructure.

When it comes to planning for the future we're producing later this year a ten year Capital Plan, and a new National Planning Framework. Both documents will be published together and will form a National Development Plan which will guide sustainable and appropriate future growth.

Growth in our country has traditionally been driven by Dublin. Part of that is inevitable due to its enormous size and scale.

Over the next twenty-five years we want other cities, and in particular the city of Cork, to grow at twice the rate they did over the previous twenty-five. And we want to connect Cork and Limerick and Galway forming an Atlantic Economic Corridor, and a competitor of real scale not just to compete with Dublin but to compete internationally as well.

So under the draft National Planning Framework, Cork is identified as having the greatest potential for growth relative to its current size compared with any other part of Ireland.

It's critical that we harness this potential, and to that end the Framework identifies specific goals, including growing the city and its suburbs by 50% to 60% by 2040.

So that means a population in Cork city and its suburbs of 115,000 higher than it is now. To realise this we will need to 80,000 new jobs and 60,000 new homes in Cork city and metropolitan area by 2040.

As I mentioned earlier, to kick-start this Government has ring-fenced an additional €4.1 billion for allocation over the period to 2021 – on top of the existing Capital Plan and the extra €2.2 billion already committed to housing.

What this means is that we will increase the capital budget and the capital programme by more than 70% over the next four years to almost €7.8 billion by 2021. This will see public investment in Ireland going from relatively low levels internationally to among the highest in the EU.

I know that people are sceptical about politicians bearing four year programmes

and promising ten year plans, but when you look at what we did in the last five years when we had relatively little money it is quite significant.

Páirc Uí Chaoimh, where we are here today, built with the help of €30 million of taxpayers and central government money. In Dublin, for example, the Luas lines are connected to each other, the Sports Capital Programme, the Greenways, the new National Children's Hospital now under construction, Newlands Cross, the Gort-Tuam motorway, the N11, 50 primary care centres built, and 200 new schools built all over the country.

So all of that was done over the last five years when we had little or no money. Imagine what we can do in the next ten, when we do.

Páirc Uí Chaoimh

Of course, this particular facility is an example of what can be done. It has resulted in an incredible, revitalised venue with 45,000 seats, meeting and conference rooms, a medical centre and a museum. I hope it will also be confirmed soon as a host venue for the Rugby World Cup.

This is hallowed ground and I'm delighted the Cork Club Hurling Final will be held here following the official opening on Sunday week.

Hopefully, this wonderful stadium will inspire the Cork Hurling and Football teams to many wonderful victories to add to your phenomenal Camogie success this year.

Growing Cork's Urban Population

The Government also wants to work with you to reverse the long term decline of the city's urban population which is also a long term objective of the Council's Strategic Area Plan - CASP.

The latest Census figures show we're moving in the right direction.

We must build on that and I know there are plans for ambitious large-scale regeneration projects for new employment, housing and supporting infrastructure in Cork Docklands.

This development must be driven by a new city council structure, helping to ensure that Cork fulfils its role as Ireland's southern capital.

I realise feelings are passionate on the issue of re-drawing boundaries, they always are. But I'd just ask that all those involved remember why it's being done, as a means to develop and strengthen the Cork region and the country as a whole.

Regional Connections

None of our ambitions can be achieved without significantly improved transport infrastructure.

As I mentioned earlier, Budget 2018 provided for major extra capital investment over the next four years, including €2.4 billion for motorways and national road networks.

Two weeks ago Minister Ross and Minister Ring opened the Gort-Tuam motorway, a 57 km stretch of motorway and one of the biggest public investments in the West of Ireland. It's a project that I felt personally connected to because Enda Kenny and I turned the sod on it three years previously. It's highly significant in that it connects Galway to Limerick to Clare and Shannon. And because of it all roads no longer lead to Dublin. And the next step is to build the next section of that corridor, the road from Limerick and Galway to Cork via the M20.

As well as the additional investment, capital investment can change geography and be a real means of releasing the full economic and social potential of Cork, and Leinster and Munster. The M20 is a huge project with a massive price-tag. But it is however worth it. So, I think it will have pleased everyone in this room to know that Minister Ross has confirmed that funding has been secured to bring the M20 through route selection and into An Bord Pleanála. And that process of planning and design can begin immediately as money is no longer a barrier.

Once planning permission is secured, the major costs occur in land purchase and construction. These costs are unlikely to arise in the current capital programme which runs to 2021. However they will arise very soon thereafter. So I want to confirm that the M20 will be included in the 10 year Capital Plan. It is a project that is essential to our future national development and one that I am personally committed to achieving.

In terms of other projects, the additional money for roads allows us to power ahead with the Dunkettle Interchange which is going ahead already, proceeding to construction as soon as possible. And also to bring forward the M22, the Ballyvourney to Macroom Road, allowing it to go to tender next year, with construction the year after.

So as you can see we are going to see a lot of road developments.

Cork Airport

Domestic connectivity is important, and so is international connectivity.

This year has been a good year for Cork airport with five new routes, four new airlines and 59,000 extra passengers.

The historic breakthrough of Cork Airport's first ever transatlantic service, with Norwegian flights operating three times a week, is particularly welcome.

Port of Cork

Of course it's important to say that Cork Airport is not the only hub connecting Cork's region to the wider world.

As the leading seaport in the south of Ireland, the Port of Cork has made impressive strides in recent decades. As Minister for Transport, Tourism and Sport I took a huge interest in the development of the Port of Cork and had the opportunity to visit on many occasions and in 2013 I launched the National Ports Policy. As Taoiseach I very much support the plans to expand the deepwater cargo-handling facilities in Ringaskiddy by 2020. And I am enthusiastic about plans for the development of the cruise industry.

The Ringaskiddy development will cost approximately €100 million and will enable the Port to accommodate larger vessels and further develop it as an international gateway for trade.

#### Education

In this region, there has been a substantial capital investment and investment in education, roughly €150 million since 2012. 28 major primary and post-primary school building projects have been completed, and from 2018 to 2021 a further 40 large scale school projects will advance to tender and construction.

Cork's third level institutions are also scaling up to meet demands of the future. And UCC as you know recently launched its Strategic Plan 2017-22 outlining a really ambitious program of expansion that will strengthen Cork's profile as a city and seat of learning.

And Cork IT and IT Tralee are well advanced in the process of merging into the Munster Technological University. The legislation to allow that to happen is currently making its way through the Oireachtas with the support of the major parties.

I commend the ambition of all these third-level institutions and their plans.

#### Flood Defences

I'm conscious that people who are living and working within the city will want reassurances that they and their properties and businesses will be safe from flooding into the future.

I would like to take the opportunity today to reaffirm the Government's commitment to implement a major Flood Relief Scheme for the city.

The scheme which the OPW has developed will provide flood protection to over 2,100 properties in the city including some 900 commercial properties. It will cost about €140 million, and will be the largest flood defence scheme undertaken in the country. And I very much welcome the public support which the Chamber has given it.

#### Growing Employment

The South West region currently has the lowest unemployment rate in the State at 4.8%. It's also the fastest growing region in the country in terms of employment over the quarter. This is a credit to everyone in this room who has contributed so much to making this region and this city an attractive place for investment, growth and work.

Cork is now home to the largest cluster of Pharmaceutical operations in Ireland with a growing Medical Technologies and more recently a significant Biopharmaceutical manufacturing presence.

Your city is also home to a strong cluster of 60 International Technology Companies.

I am confident that we can build on this success into the future.

#### Conclusion

If the men and women who have achieved sporting greatness right here at Páirc Uí Chaoimh have taught us anything, it is that nothing is impossible if you have the courage, the determination, ambition and persistence, and are given the opportunity to realise that.

In a time of global uncertainty, the people of Cork and the businesses of Cork can be certain of one thing.

This Taoiseach and this Government shares your goals and your ambitions. We will invest in your endeavours, and we will continue to work side by side with you as we work to achieve these goals.

Thank you.