



The Ireland Canada Business Association
Budget Submission August 2018

Executive Summary

Canadian multinationals are rapidly growing in size and significance in Ireland and are set to become one of the next **major economic influences** in this country. The number of jobs provided by Canadian companies in Ireland has **grown by almost 40% since 2014**, and with the future opportunities presented by **Brexit** and the recently enacted **Comprehensive Economic and Trade Agreement between Canada and Europe** (CETA), this rate of this growth can increase exponentially with the right operating environment.

The Ireland Canada Business Association is **the representative voice of Canadian companies in Ireland**. It has the mandate of promoting and developing trade and industrial links between Ireland and Canada. Notable Canadian companies in Ireland include Brown Thomas, Kobo Software, Irish Life, Royal Bank of Canada, Bank of Montreal, Air Canada, Timbercreek Asset Management, Celestica, Irving Whitegate Oil Refinery, Teknikor, Irish Life, Optel, SNC Lavalin, Shopify, Yroo, Absorb Technology and Group Eleven Resource.

The ICBA 's key concern is that Ireland retains it's attractiveness for Canadian companies who locate here to access the European market. We believe that a sufficient supply of economic regulated rental accommodation is an essential part of the Irish value proposition. Ireland must continue to develop the business environment for employees and optimise the opportunities that abound when Canadian companies wish to locate in an English speaking EU country where there is a free trade agreement already in existence through CETA .

Ratification of CETA

CETA is a comprehensive and wide ranging free trade agreement and covers virtually every aspect of economic activity. It will create new market access opportunities in services and investment and allow Irish companies access to Canadian public contracts. Irish firms will also benefit from the recognition of product standards and certification, thus saving on 'double testing' on both sides of the Atlantic.

Key features of CETA include

- Removing 99% of customer duties
- Ending restrictions on open access to public procurement contracts
- Opening up the services market
- Offering predictable conditions for investors
- Helping prevent illegal copying of EU innovations and traditional product.



On 16 May 2017 the Canadian Government ratified CETA. This paved the way for provisional application in the EU when Canada adopted all the necessary implementing rules. CETA itself has significant implications for Irish exporters as Irish exports to Canada are worth €1.4 billion per year and Irish exports of pharmaceuticals and alcohol alone are worth just under €400 million per year.

The current delay in the ratification of CETA diminishes the attractiveness of Ireland as a location for Canadian FDI. The ICBA calls on the Irish government to ratify CETA. By doing so it would follow the example of the Danish, Spanish and Portuguese parliaments amongst 6 others with whom we compete for Canadian FDI. It is important that Ireland reciprocates the Canadian ratification of CETA and supports an inclusive and forward-looking common commercial policy in a period of unprecedented global uncertainty.

Increase in availability of rental accommodation.

The ICBA has witnessed a number of Canadian Service Provision companies establishing operations in Dublin to parallel their UK based offices as they prepare for Brexit. It is imperative that the availability of rental accommodation increase drastically over the current levels. Our members have experienced job offers being turned down as the candidate is unable to find suitable affordable rental accommodation in Ireland. In brief the private rented sector is currently inadequate for the needs of those working in Canadian companies in Ireland.

The ICBA welcomes the initiatives already put in place by the Minister for Housing particularly the 4% rental increase cap in pressure zones. Significant increases in rent are now common in those areas **outside** the pressure zones. Those on relatively high incomes currently paying such rents say it can frequently constitute over 40 per cent of net income to secure even modest accommodation. Such relatively well-off renters would prefer a broader choice of economic and regulated rent for those properties which are new to the market and outside the pressure zone area.

Canada Mortgage and Housing Corporation - CMHC

CMHC is responsible for administering Canada's National Housing Act and is accountable to Parliament. Although CMHC is fully owned by the Canadian government, it operates like a private sector company with a president reporting to an independent board of directors. CMHC's primary activity is mortgage loan insurance, which insures approved lenders, such as Canada's chartered banks, against borrower default. Mortgage loan insurance provides approved borrowers with access to low-cost mortgage rates and is required for regulated lenders when a home buyer has less than a 20 percent down payment.



Approximately 30% of Canadians rely on rental housing to meet their housing needs. CMHC offers both funding opportunities and mortgage loan insurance products to support the construction, purchase and refinancing of rental properties. In particular CMHC offers lower cost loans to developers of standard rental accommodation in multi unit residential accommodation across Canada and they also incentivise developers of singular occupancy rental accommodation. We would encourage the consideration of similar initiatives in Ireland to expand the supply of economic well-maintained rental accommodation.

Driving license recognition

Ireland has agreements with certain non EU countries and states that designate them as recognised states for the purposes of driving licence exchange. Within Canada this recognition applies currently and only to license holders in the provinces of British Columbia, Ontario, Manitoba and Newfoundland and Labrador. We would urge the Irish Government to roll out the mutual recognition across the five remaining Canadian provinces.

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