

IDA observations on DAA proposed increase in airport charges

Foreign direct investment (FDI) is a key component of Ireland's economic system. The continued success of the FDI sector is crucial as a driver of economic growth for Ireland.

Ireland has one of the highest levels of FDI as a % of GDP c.75%. There is now a focus on the productive and export led sectors of the economy. IDA supported clients account 60% of total national exports. The IDA supported FDI sector accounts for c.150,000 jobs, and €2.9bn in Corporate Tax receipts (58% of total tax take). These companies spend €15.8bn p.a. in direct expenditure in the Economy of which €6.7bn is on Payroll, €2.5bn is on Irish Materials and €6.5bn is on Irish Services.

Being an island nation, Ireland is heavily reliant on its air transit infrastructure to support enterprise development. The continued development of Dublin Airport is critical to present an appropriate modern image of Ireland's economy to FDI clients. For the majority of both existing and potential new investors, the image presented at Dublin Airport creates a first, and potentially lasting, impression of Ireland. The airport's image and passenger experience of our clients can have a significant impact on their impression of, and investment strategy for, Ireland. Such international investors are extremely well travelled and a world class airport facility in Dublin is a critical element of Ireland's ability to win investment.

Ireland's competitiveness is of paramount importance in the current economic climate and overall a balance needs to be struck between incentivising investment in much needed additional capacity at the airport and maintaining the competitiveness of Dublin airport charges. It is important that this balance is maintained at a time of increasing focus on cost competitiveness and value for money.

The issue of competitiveness and cost structure is of major importance for our clients at present. The cost structure at Dublin Airport should be as competitive as possible by international standards while at the same time provide service of the highest quality.

In summary, IDA Ireland supports the development and advancement of Dublin Airport as a key piece of national infrastructure. IDA acknowledges the need for the key stakeholders to provide input into this proposal and highlights the importance of Ireland's international competitiveness to remain paramount to the overall development of Dublin Airport both in terms of costs and high quality infrastructure.