Social Democrats

Alternative Budget

2019

Business

#AffordableLives

Supporting Irish Business

Ireland's economic growth has been strong in recent years. However, it is vital that we do not take it for granted. With the huge uncertainties of Brexit still hanging over us and the increasing competition on corporation tax rates, it is important that we invest now in supports for indigenous industry and ensure that economic growth is spread right around the country.

With respect to business, Budget 2019 should be about three key priorities:

- Bringing down costs – for workers and for indigenous enterprises - so that competitiveness can be maintained. This includes the price of accommodation, commercial rents, energy, insurance, healthcare and childcare which are all too high in Ireland.
- Investing in productivity, research and development, and education.
- Focussing on capital spending and investment for the long-term to address Ireland's very significant infrastructure deficit.

The Social Democrats priorities for Budget 2019 include the following measures.

- Use the additional €1.5 billion already earmarked for capital spending in the Summer Economic Statement to **boost investment in areas such as housing, electricity, primary care centres, health IT, rural broadband, rural renewal, water and transport to drive efficiency and competitiveness, and to promote economic growth** in the regions. Throughout this document we have identified other areas where the extra fiscal space available to the Government in addition to the €1.5 billion already earmarked can be invested.
- Provide an **additional €100m for Enterprise Ireland for start-up support** and improvements in research and development funding to bring support levels in line with comparable European states, ensuring that our start-ups are supported to grow internationally from an Irish base.
- **Provide a special Brexit fund of €40m to Enterprise Ireland** to help insulate indigenous industries traditionally heavily dependent on trade with the UK. Some industries are particularly vulnerable to a hard Brexit, notably agriculture, food and fisheries, and manufacturing and construction, with the Central Bank projecting a potential loss of 40,000 jobs over 10 years under certain scenarios. Such a fund would be available on top of existing

supports such as the Brexit Loan Scheme, “Be Prepared” grants and others. It would be used to insulate these industries and help re-orientate them towards new European markets, and non-UK suppliers.

- Boost funding for **management training** for small and medium businesses.
- Boost the collection of Local Authority rates in all local authorities and apply the saving to all businesses.
- **Extend the earned income tax credit for the self-employed** by €300 as part of a phased approach to equalising it with the PAYE tax credit.
- **Boost spending on third level education by** €100m in 2019, to include a dedicated capital refurbishment fund.
- **Boost spending on apprenticeships**, both traditional and new, by €10m. We believe there are particular opportunities in so-called digital apprenticeships including areas such as coding, IT security and Artificial Intelligence. We also want to ensure there is adequate skills supply in areas such as care, youth work, childcare, financial services, construction, creative and digital media, and other areas.
- Provide **seed capital for the development of a public banking model** in Ireland to encourage competition on banking costs and availability of credit across the country
- Commit to 12.5% corporation tax rate (but ensure that it is all collected)
- Invest in a **new online portal for business** to interact with Government thereby cutting red tape and administration costs – based on a very successful Norwegian model (Altinn).