

Leo Varadkar
An Taoiseach
Government Buildings
Upper Merrion Street
Dublin 2

29 May 2020

Dear Taoiseach,

Thank you on behalf of Ibec for joining us for our virtual event last week. It was clearly both informative and engaging given the very positive feedback received with member attendance and subsequent downloads of over 1,500 participants. As outlined at the event, the Irish business community as represented by Ibec wants to place on the record our appreciation for the leadership of your Government, Civil Service, Chief Medical Officer, National Public Health Emergency Team and Health Service Executive in these extraordinary times and suppressing the Covid-19 virus in our communities.

The scale of risk has now swung towards the saving of livelihoods as the economic crisis from the suppression of activity continues to deepen. As the successful first phase of the reopening of the economy has demonstrated, the capacity of business to operate safely and responsibly is in line with the overall national response. Many more distressed businesses are braced for reopening so that they can assess the scale of difficulties and the necessary restructuring required. This requires bringing forward the phases of the National Roadmap for Reopening and for the safe return of the majority of businesses before the end of June. Social distancing with the 2 metre rule is also a serious challenge for businesses and needs to be reduced to 1 metre.

If the rules are inevitably going to be changed then business must know when. Uncertainty around the timing and application of rules will compound economic and social destruction. It impacts not just on business workplace planning but as critically on the social infrastructure that supports our socio-economic activity. Childcare facilities, schools and transportation providers are too challenged by this uncertainty. Young people, many of whom are now congregating in large groups outdoors have been shut out of civic, sporting and community facilities and clubs which engage them during the Summer months. Business and the infrastructure which holds us together providing critical stability and wellbeing in our society cannot countenance these arrangements.

Furthermore, business does not believe the timing of quarantine impositions at this point in the public health curve flattening is neither logical nor implementable given the reality of the shared island of Ireland. It is also an unnecessary impediment to recovery along with an uncoordinated approach to the valuable Common Travel Area arrangement with the U.K.

While our public health advisers act responsibly and with great integrity on the single public health dimension of COVID, the implementation of policies and rules to address what is now a multi-dimensional problem is urgent and should be prioritised by the Government.

Irish business, like Irish society, behaved responsibly in following the credible public health advice and Government instruction. To be credible in any locking down for future occurrences, the credibility to advice and instruct on opening up is equally important. As an open, global hub Ireland must observe what trends are occurring internationally in comparable European jurisdictions.

As of mid-May most other developed countries have begun to step down the measures taken to suppress their economies in the interest of public health. Here in Ireland, the recent roadmap whilst giving welcome clarity to business, has also made clear that our economy would be re-opening at a more conservative pace than almost any of our peers. Nobody knows whether this will be the right decision in the long run but one thing can be stated with certainty: the length of the lockdown will help determine the scale of the fall in economic activity.

If we plan to have a significantly longer lockdown than most developed countries then we cannot, at the same time, plan to run a budget deficit which is at the lower end of that same group of countries. That is, unless, we plan to do much less to protect our businesses from the economic fallout. This in turn would slow the recovery. We can do any two of these three things, but not all three. This is the trilemma which the Government has the unenviable task of solving.

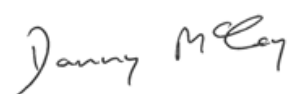
Significant measures will need to be taken to protect the livelihoods of both households and businesses, get people back into jobs, and bring forward maintenance and investment projects from an extended capital plan. For now, the immediate actions required from Government are as follows:

- Removal of the quarantine restrictions
- Replacement of the 2 metre social distancing requirement to a 1 metre requirement

- Ensure a robust track and trace system is in place to manage cases quickly
- End of lockdown by the end of June.

Ibec, on behalf of Irish business, will be guided by your decision and that of your health and economic advisers but we recommend the phased reopening of all businesses that can adhere to amended public health during the month of June. This is not only appropriate but an imperative.

Yours faithfully,



Danny McCoy
CEO

Cc:

Tainiste and Minister for Foreign Affairs, Simon Coveney

Minister for Finance, Paschal Donohoe

Minister for Business, Heather Humphreys

Minister for Health, Simon Harris

Secretary General of Department of the Taoiseach, Martin Fraser