



## Opening Statement to Joint Committee on Business, Enterprise and Innovation by Seamus Boland, CEO of Irish Rural Link

January 30<sup>th</sup> 2018

Firstly, I would like to thank the Committee for inviting ourselves and the SBFIC to speak to you today in relation to the Cost of Doing Business in Ireland.

Irish Rural Link (IRL) is the national network of rural community groups, representing over 600 community groups and over 25,000 individuals committed to socially, environmentally and economically sustainable rural communities. As such we are well aware that SME's and Micro Enterprises are the back bone of rural economies and are a valuable employer. We also see that the impact of the recession is still being felt in many rural areas which have not seen the same level of economic growth or employment as more urban areas have over the past couple of years.

In our recent submission to the Department of Business, Enterprise and Innovation (submitted to the Committee see attached documentation) we highlighted some areas we identified which contribute to the difficulties of business and thus the cost of doing business in rural Ireland. We are cognisant of the broader issues relating to costs such as rates, planning permission, utilities, lack of broadband and we are active in many of these areas.

Irish Rural Link have also focused in on the area of access to finance and having come to the realisation that Ireland should examine the feasibility of providing a regionally based public banking model, we invited the Sparkassen Foundation to work with us in the design of such a model based on the hugely successful Sparkasse model of public banking in Germany.

This Committee may also be aware that last year we actively took part in the Investigation on this model carried out jointly by the Departments of Finance and Rural and Community Development, a report on which is due to be published soon.

This model of regionally based banks we believe will help to address the direct costs to SMEs of doing business in terms of interest rates and other charges. Furthermore, we also see the reintroduction of a more customer focused relationship banking model such as this as benefiting businesses' indirect costs for example in terms of time and effort that we know many small businesses expend in their efforts to access finance or to maintain and service existing loans on the terms they are currently being offered.

I will hand over to my colleague Mr Harald Felzen now to outline in more detail the way in which Sparkasse banks interact with businesses and the differences that Irish businesses could experience if such a model were introduced into Ireland.