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Ms Anne Moloney Commission for Aviation Regulation Floor 3 Alexander House Earlsfort Terrace Dublin 2

26<sup>th</sup> September 2006

Dear Anne,

"Maximum levels of Airport Charges at Dublin Airport: Commission Paper CP6/2006"

IDA Ireland's primary role is the promotion of Ireland as a location for Foreign Direct Investment (FDI). Competition for FDI is increasing based on a number of criteria;

- A greater number of countries are looking to attract this high value investment to develop their economies;
- Greater global opportunities for companies to locate FDI in new emerging markets;
- Ireland is competing for more high value knowledge intensive investment.

Currently the FDI sector in Ireland comprises

- 1,000+ companies employing 130,000+ jobs directly with a multiple in indirect employment;
- These companies account for over 80% of Ireland's merchandise exports and over 35% of National GDP;
- Irish economy spend of €15bn+ p.a.

A critical component in the attraction of new FDI and the development of the existing base is infrastructure, and airport access is a key component of Irelands national infrastructure offering. Ireland's ability to sustain and grow this base of companies, employment, and economic activity is significantly determined by its infrastructure.

As most potential investors arrive by plane, the airport access and infrastructure is one of the first components of national infrastructure they encounter. <u>In that respect a modern well functioning and efficient Dublin airport is critical.</u>

For existing clients, ease of access, both into and out of Ireland, by air for their colleagues, customers, goods and services is a critical component of doing business successfully here. They expect this quality service at a similar or lower cost to major airport centres around the world.

In the 2005 IMD World Competitiveness Yearbook, the perceptions of industrialists of the quality of Air Transport Infrastructure in a number of international business locations were benchmarked. Ireland and Dublin ranked poorly, well below locations such as Singapore, Denmark, Switzerland, and Hungary. This is a significant weakness in light of the importance of air transport infrastructure to IDA, both in terms of an entry point for executives of client companies, and also in terms of access to import-export distribution channels for IDA client companies.

IDA Ireland is fully supportive of significant investment in the national infrastructure to continue to secure high value FDI. In this regard IDA supports any initiative that brings about a solution to the current congestion at Dublin Airport; in particular plans to develop additional capacity at the airport are welcome, along with future plans by airlines to increase route choice and frequency. An efficient functioning Dublin Airport, capable of presenting a modern image of Ireland as a well developed economy, is critical to IDA's existing client base, and is a key differentiator in Ireland maintaining its status as a leading location for FDI.

Yours sincerely,

Brendan McDonagh

**Department Manager** 

Breiden Me Dang

**Planning & Business Ecosystem Division** 

**IDA Ireland**