Enterprise Opportunities in the Cleantech Sector

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BCM – 14/5/09

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Content of this Presentation

- A few words about Forfás
- EGS market estimates
- SWOT analysis
- Enterprise opportunities in key sub-sectors
- FDI, indigenous & North-South opportunities
- Policy recommendations and epilogue

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About Forfás

- Forfás is national policy board for enterprise & science
- Mission: to shape long-term enterprise and science policies aimed at developing Ireland as one of the most competitive and successful economies in the world
- A 'think-tank' for Government
- Forfás Board composed of the CEOs of business, enterprise development agencies, research funders, national training agency, higher education, Government

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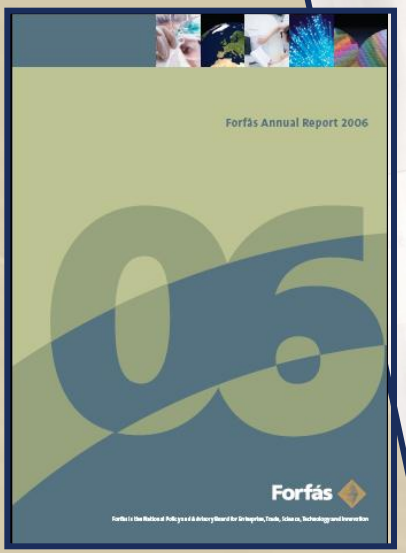
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A Strategy for Enterprise in Ireland
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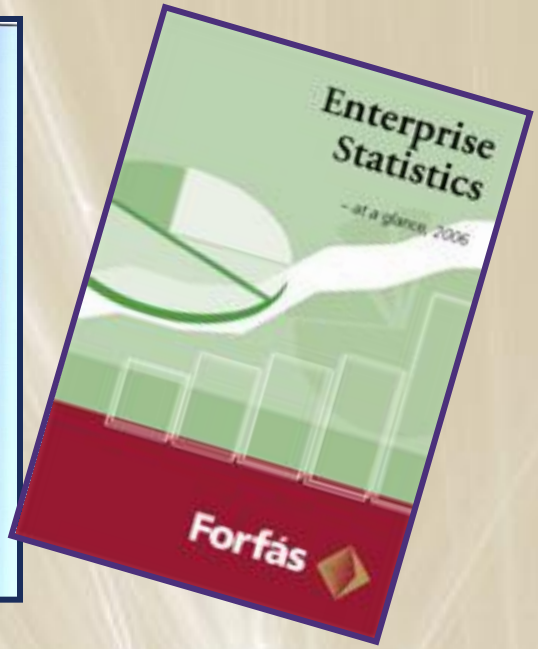
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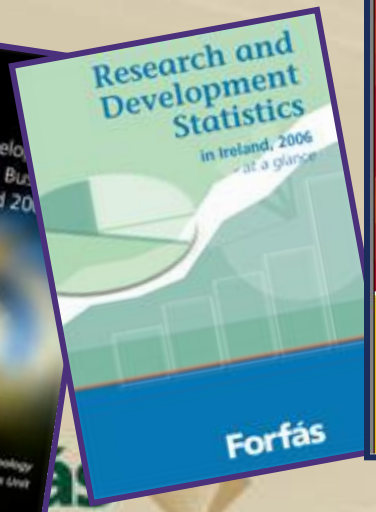
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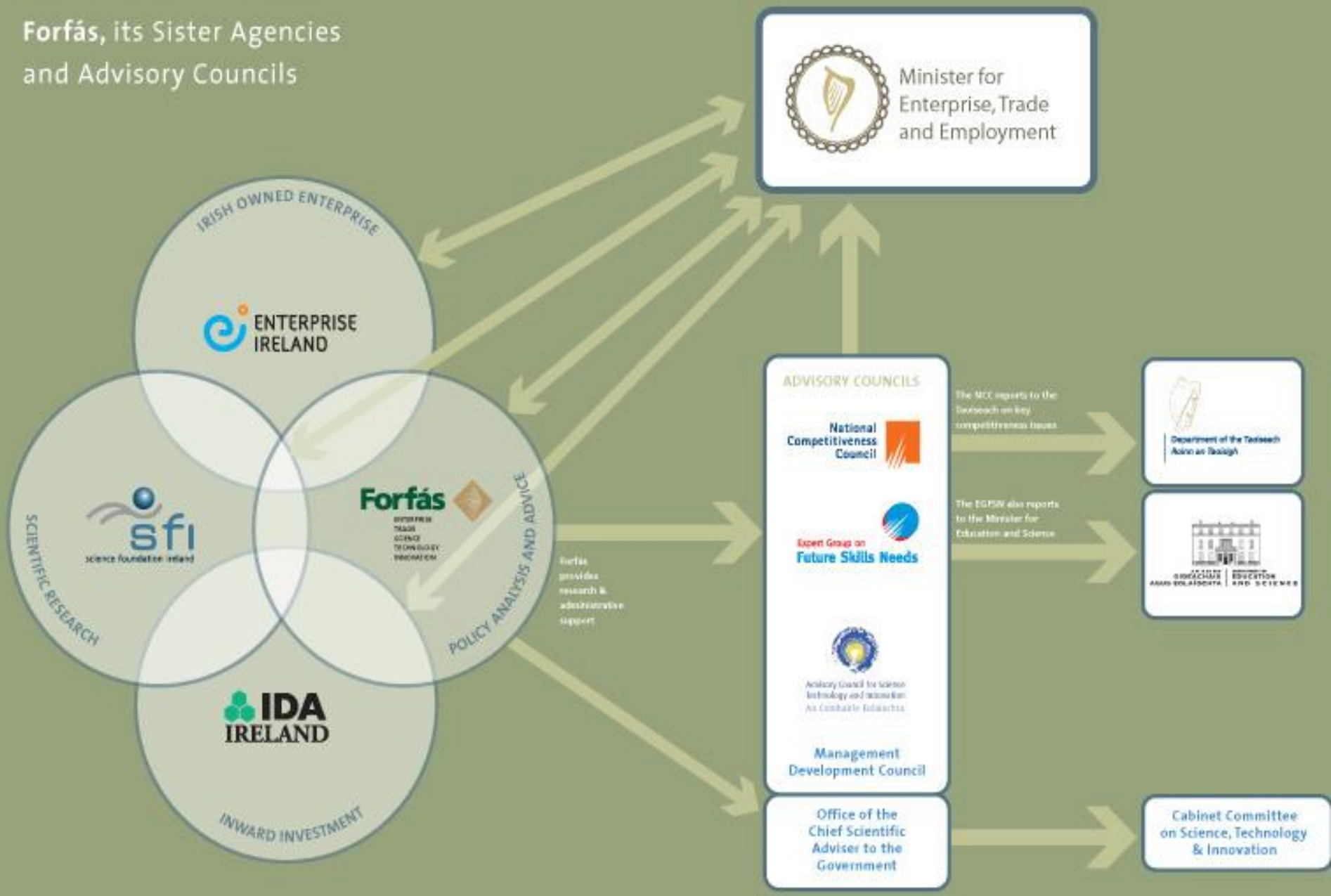

Background

- Origin of study
- What study attempts to do
- Steering Group
- EPS Consultants' role
- Forfás/ InterTradeIreland report (launched Oct '08)

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Friday, April 17, 2009

ESB says expansion plan will create and support 6,000 jobs

BARRY OHALLORAN

THE ESB predicted yesterday that its expansion plans would create and support over 6,000 jobs inside and outside the State company over the next four years.

The State-owned electricity company said key areas highlighted in its €22 billion investment plans would create 3,700 new jobs in Ireland between this year and 2013.

Along with this, its plans to continue investing in existing network and electricity-generating infrastructure would result in a further 1,300 jobs.

The remaining 1,100 jobs will result from its own recruitment plans

In this section »

- BoI exposed in US $29.5bn bankruptcy
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Irish 'green economy' to create 7,000 jobs

19 February 2009

Up to 7,000 jobs could be created through efforts to meet energy efficiency requirements in the residential sector, a new report has shown.

According to the DKM Consulting report, up to Euro 600 million per year would also be generated through the work.

The extra work would be needed if Ireland's residential sector is to meet its 2007 targets, with the average Building Energy Rating (BER) assessment estimated to cost around Euro 300 per dwelling.

Engineers Ireland director general John Power said that the report reflected the "burgeoning nature of this green economy".

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Dublin is missing out on EU-funded jobs

A new economy, a green economy

3,700 green jobs – the green economy in action

Issued: 16 April 2009

Statement by Eamon Ryan

Spokesperson on Communications, Energy and Natural Resources

"Shortening the dole queues and helping the environment at the same time" – Minister Ryan

Energy Minister Eamon Ryan today welcomed ESB's announcement of 3,700 jobs in the green economy.

The jobs are in the areas of smart meters, smart networks, electric vehicles, wind energy, home insulation and green technology. All of these initiatives were included in the Programme for Government and have been driven by

policies in action

Top environmentalists on the reasons to elect Green MEPs

Deirdre de Burca stands for thousands of new green jobs for Dublin

EGS market & structure

Sector is large and growing, despite downturn

- Global: $600 billion (2005). Estimated $800 billion by 2015
- Domestic: All-island estimated at €3.6 billion (excluding EGS in building and construction).
- Currently supports at least 11,000 jobs on island

Market structure:

- Small number of major players
- Several subsidiaries of UK & EU parent companies
- Low R&D investment but adoption and adaptation of EGS technologies important
- Limited FDI presence but potential for growth

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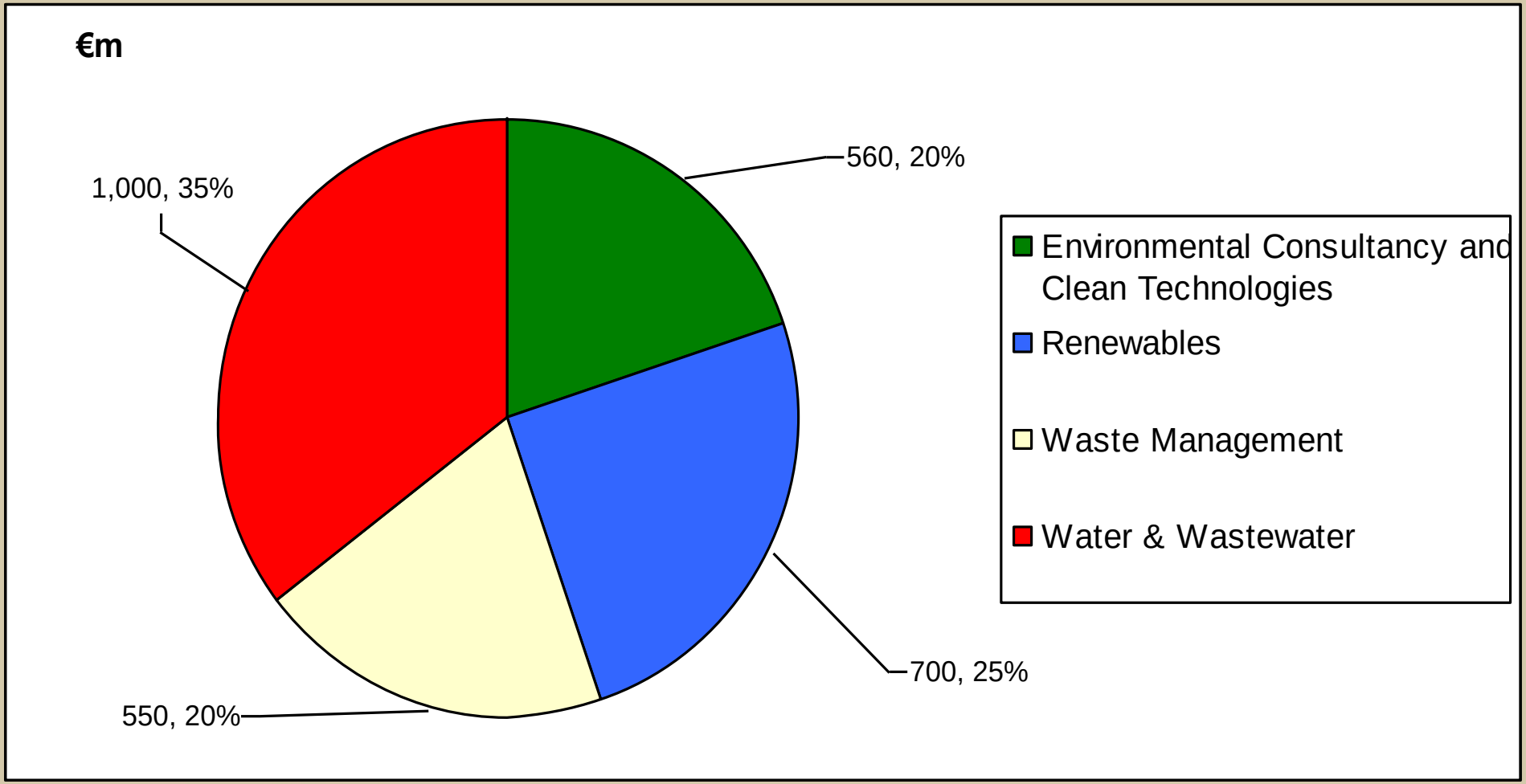
Current Value of EGS Industry in Ireland (€m)



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Market Drivers

- Climate change (policy)
  - Regulatory compliance
  - Rising energy and raw material costs
  - Renewable targets
- Security of supply of energy and raw materials
- Infrastructural investment
- R&D
- Public ‘green’ procurement

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SWOT

Key Strengths	Key Weaknesses
►Large public and private investment in environmental services & infrastructure ►Commitment to regulatory enforcement ►Access to natural energy sources ►Enterprise agency adaptability ►Flexibility of firms	►Low starting base of EGS sector ►Regulatory uncertainty in some key sectors ►Low levels of EGS-related R&D ►Limited green public procurement
Key Opportunities	**Key Threats**
►Rapidly growing global EGS market ►Potential emerging markets in CEE & proximity to growing British market ►Growing environmental awareness in public and business ►Potential synergies between sectors which are strong on the island	►Failure to meet Kyoto/renewable energy targets ►Conflicts of interest between regulators and regulated sectors ►Cuts in environmental infrastructure investment

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Enterprise Opportunities

Sub-sectors with greatest potential:

- Renewable Energies
- Energy Efficiency (incl. Eco-Construction)
- Water and Wastewater Treatment
- Waste Management, Recovery & Recycling
- Environmental Consultancy & Services

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Energy

Enterprise Opportunities: Renewable Energies

Many drivers:

- RES targets
- Security of supply
- Environmental sustainability
- K investment

Potential opportunities

- ► Wind
- ► Ocean
- ► Solar
- ► Other Techs

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Enterprise Opportunities: Efficient Energy Use & Management

Strong regulatory framework

Potential opportunities:

- Eco-construction
- Energy management/efficiency services
- Other sustainable energy sources

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Waste

Enterprise Opportunities: Waste Management

Move away from landfill to more sustainable technologies

Potential opportunities:

- Waste collection, transfer & disposal
- Equipment
- Waste-to-energy

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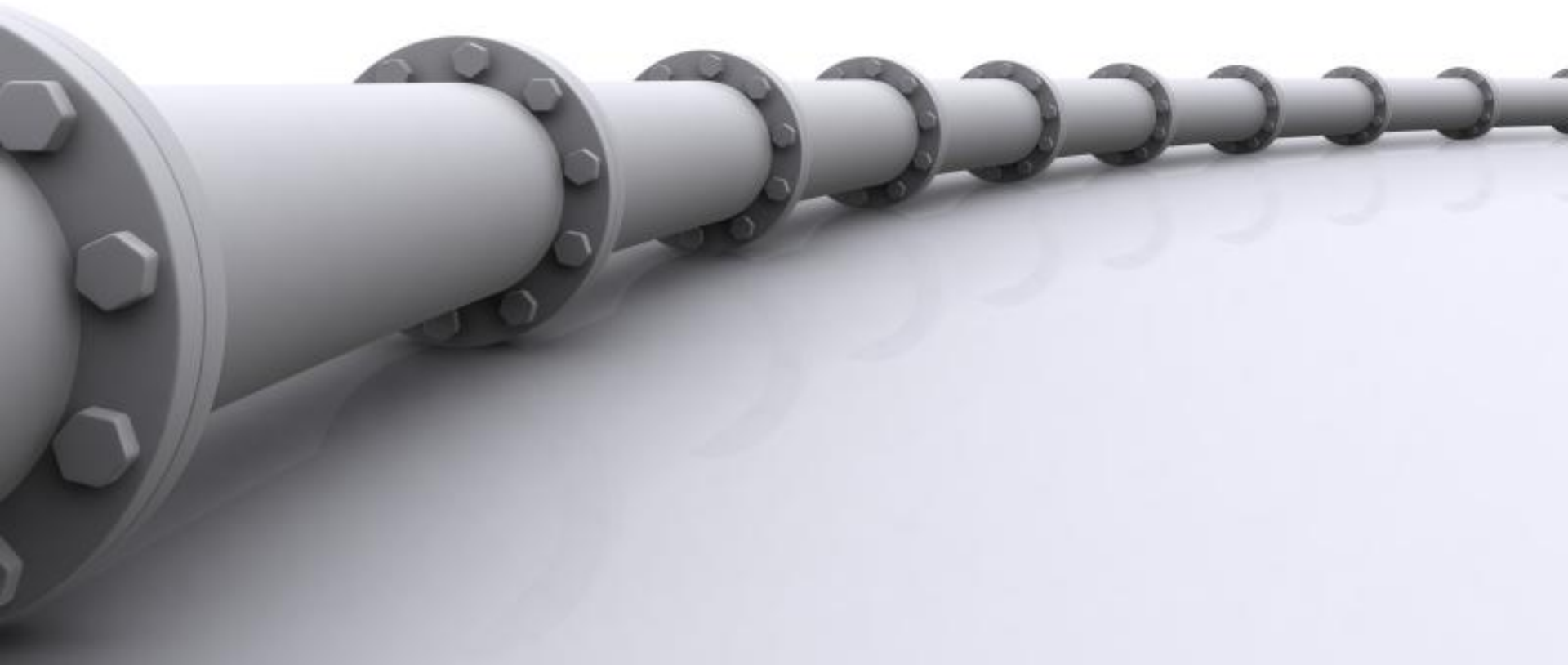
Water



Enterprise Opportunities: Water & Wastewater Treatment

Strong regulatory framework and K investment

Potential Opportunities

- ► Water quality & processing
- ► Water infrastructure
- ► Efficient use of water

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Consultancy

Enterprise Opportunities: Environmental Consultancy & Services

Regulatory compliance, rising energy costs key drivers

Potential opportunities:

- Environmental consultancy
- Water resources
- Waste consultancy

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FDI

Key Messages: FDI

→ Target FDI ‘sell’ in niche areas based on relative strengths:

- Renewable energies (wave/wind) & clean technology
- ICT
- Advanced manufacturing

→ Focus on HQ opportunities of EMEA operations

→ IDA Cleantech team pursuing Reference Sellers

→ Importance of policy measures

→ Positive early signals

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Indigenous Opportunities

Key Messages: Indigenous

→ Targeted approach on niche areas within sectors in which Ireland is competitive:

- Water and Wastewater Treatment
- Waste Management Recovery & Recycling
- Environmental Consultancy
- Efficient Energy Use & Management (incl. Eco-Construction)
- Renewable Energies

→ Internationalising opportunities recognised but JVs may be needed

→ Potential role for enterprise development agencies

→ Importance of policy measures

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Key Messages: North/South Cooperation

Sectoral Capability Building

- R&D: Developing a collaborative research infrastructure for the island
- Skills: All-island analysis and provision of information on skills needs

Building Scale in the EGS Sector

- Role for business-led networks
- All-island networks

Trade and Investment for the sector

- Joint trade missions and supply of market intelligence
- Developing the message of the ‘green island’ for inward investment

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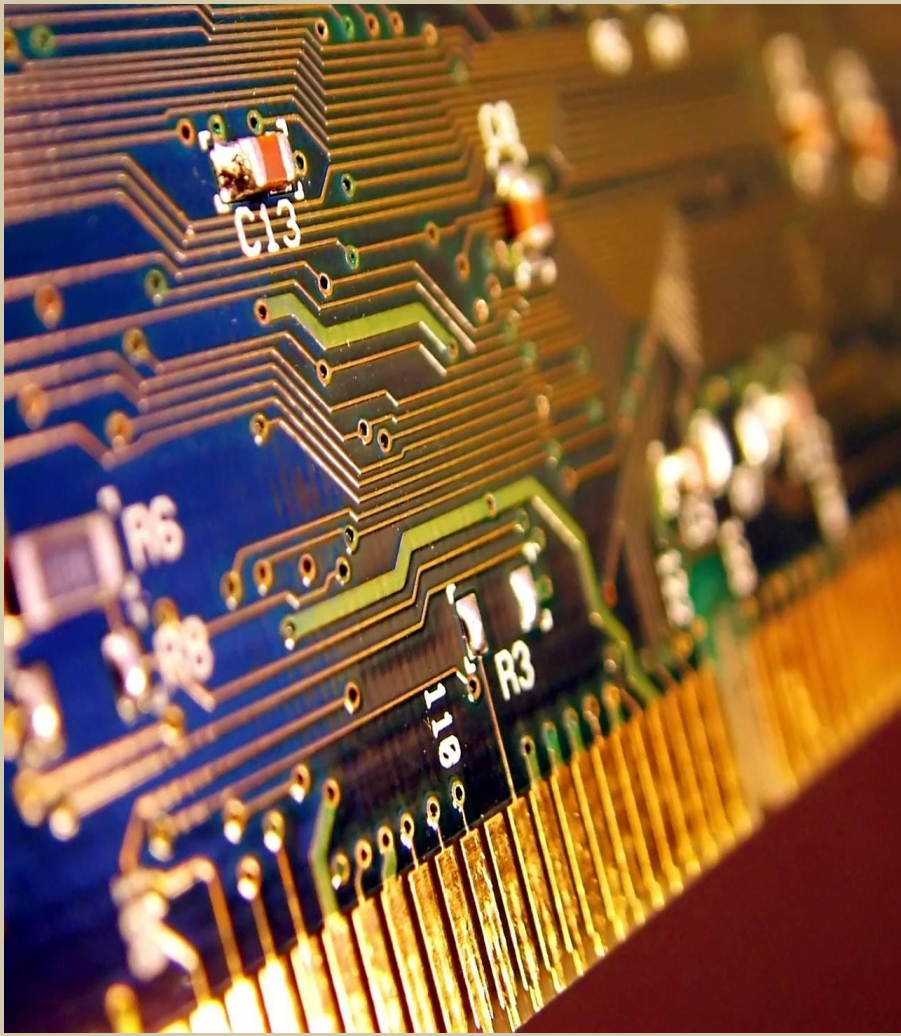
Cleantech & S&T

- The announcement of clean technology as the 3rd pillar of government's investment in S&T is a clear signal to prospective investors of the commitment in the future

- Extension of SFI research programme to include energy will enhance knowledge and business potential of cleantech sector



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Policy Recommendations

Policy Recommendations

- Supportive policy & regulatory environment
- Improve access to finance
- Skills appropriate to EGS sector
- Continue targeted investment in EGS R&D
- Continue timely implementation of legislation
- Green Public Procurement
- Ongoing role for fiscal instruments
- Examine potential of business-led networks
- Continue framework of collaboration for agencies working in EGS sector, and continue to promote internationalising info

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Epilogue: High-Level Action Group

- Carbon budget: High-level Action Group for development of green enterprise (4 months) to be launched shortly by Tánaiste
  - Skills requirements
  - R&D requirements
  - Green public procurement
  - Fiscal incentives
  - Access to finance
  - Networking & collaboration

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Thanks!

www.forfas.ie/publications

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