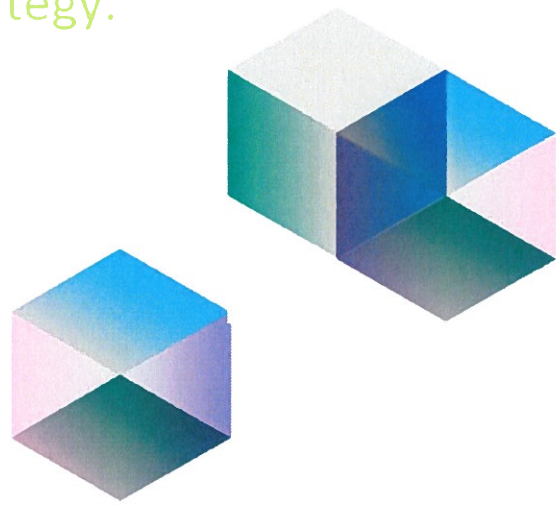**IDA** Ireland

IDA Ireland Submission
to the Consultation on the
Digital Connectivity Strategy.

March 31, 2022

IDA Ireland Submission to the Consultation on the Digital Connectivity Strategy.

Introduction

IDA Ireland welcomes the opportunity to contribute to the consultation on the Digital Connectivity Strategy. A vibrant and modern digital connectivity infrastructure will be required to:

- ✓ Help implement the National Digital Strategy.
- ✓ Support the continuing transition of the Irish economy and society to digital.
- ✓ Underpin new and next generation Foreign Direct Investment (FDI), which in increasingly digital-based.

For decades, Ireland's robust and extensive telecommunications infrastructure has helped facilitate new FDI, which has led to the establishment of some very significant enterprise sectors, especially the tech and financial services sectors. The extensive connectivity infrastructure within Ireland has assisted with regionalising FDI, a key strategic objective for IDA Ireland.

Key Strategic Enablers

The Digital Connectivity Strategy for Ireland draft paper references the key strategic enablers to 'drive the digital connectivity agenda'. These enablers include commercial investment, roll out of the National Broadband Plan (NBP), strengthening of international connectivity, promoting network integrity, security and modernisation, and undertaking research and innovation. All the enablers are very valid. Roll out of the NBP will have an important part to play in helping regionalise new FDI, with especial relevance for supporting remote working.

IDA Ireland agrees with the *'strategic opportunity to position Ireland as a central connectivity hub in Europe and act as a gateway to Europe for all transatlantic cables from North America'*. Direct connectivity to Continental Europe would have major strategic significance, for developing new business and markets, for building network resilience, and for reducing interconnectivity risk. Because of the significance, IDA Ireland advocates that opportunities to facilitate investment and to accelerate the building of direct connectivity to Continental Europe are identified and appropriate measures then taken to achieve same, cost effectively, at the earliest time possible.

With respect to new digital connectivity infrastructure, the timely establishment of infrastructure will be paramount. In achieving this, it will be necessary that the processes permitting establishment (i.e. planning and maritime consenting) become more efficient, involve no undue delays, provide certainty for investors, and are cost effective. Approval timelines need to be shortened considerably. A reformed planning approval regime is required. Foreshore licence fees need to be competitive. It is important that MARA is operational at the earliest opportunity and is adequately resourced.

Data Centres

IDA Ireland would like to highlight the strategic significance of data centres, their place in the 'digital connectivity value chain', and their fundamental role in driving digitalisation. With more data centre investment expected in the regions in future, it will be necessary that there is adequate regional fibre infrastructure to support new investment. Digital connectivity investment will also need to reflect digital trends such as edge computing and its relevance for transmitting and storing data.
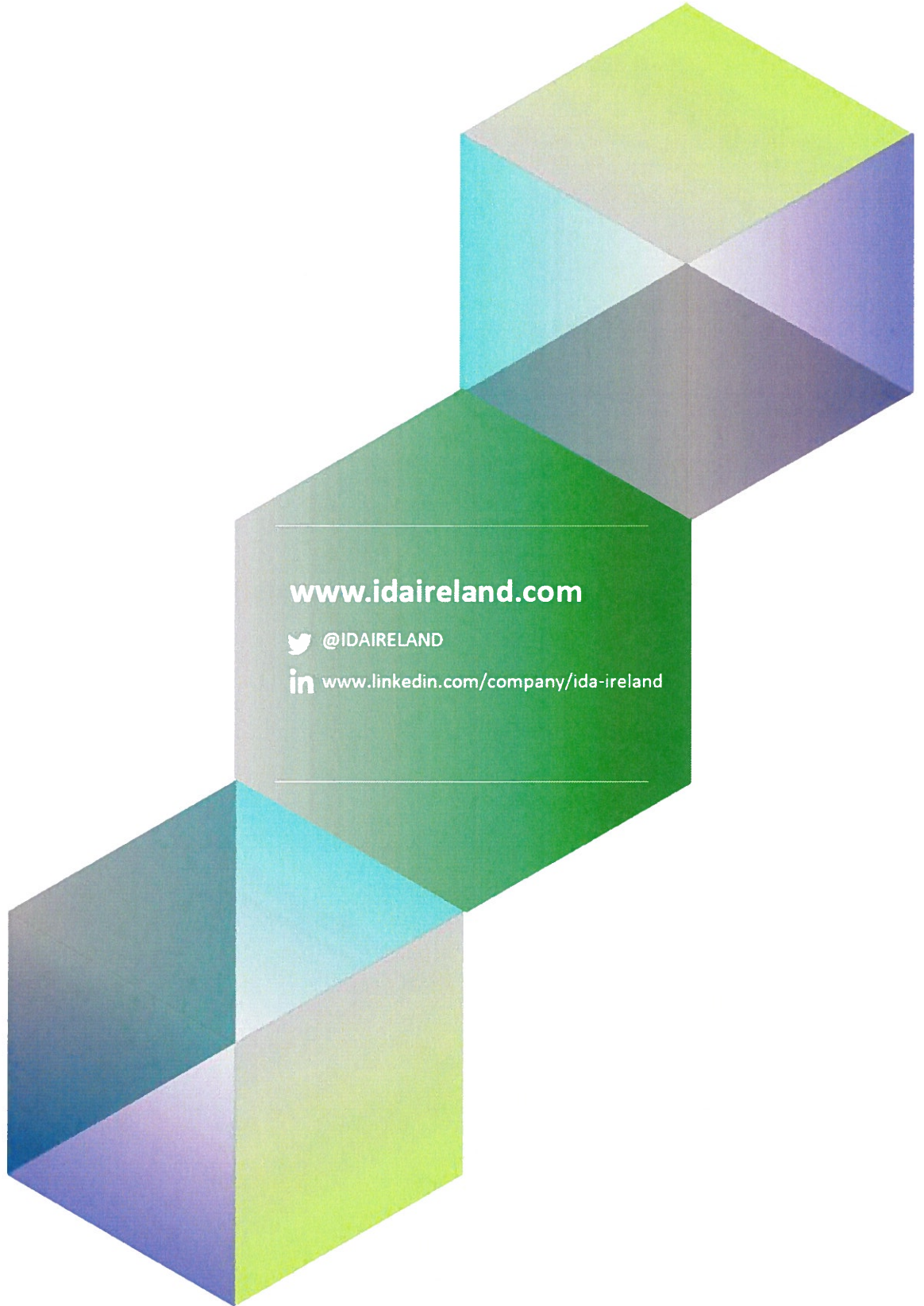
The draft paper makes reference to digital technologies having 'a vital role to play in reducing energy and resource usage'. The paper also refers to a proposed analysis into the impact of digital technological changes on sustainability; this is welcome. In IDA Ireland's view, data centres, as part of the 'digital connectivity value chain', should be included in the analysis. Whilst data centres themselves are viewed as large power consumers, there has been much less focus on the positive

contributions data centres make to sustainability and reducing energy consumption in economies overall. For example,

- ✓ Data centres (especially hyperscale data centres) are much more energy efficient than the inhouse servers they replace.
- ✓ Remote working, enabled by digital and data centres, leads to less commuting and lower motor fuel usage.
- ✓ Data centres can supply waste heat for district heating projects.

Summary
In summary, the digital connectivity strategy will have a pivotal role to play in helping implement the National Digital Strategy, in supporting new FDI, and in underpinning future economic activity. Ample investment in infrastructure will be important, delivered in a timely and cost effective manner.

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