

CILTI SUBMISSION TO THE BUDGET 2009

The Chartered Institute of Logistics and Transport in Ireland (CILTI) makes the following submission to the Minister of Finance Mr. Brian Lenihan TD with regard to the preparation of the 2009 budget. The CILTI are making this submission at a time of great uncertainty and turmoil in the Irish and World Economy. Notwithstanding this turmoil, the CILTI believes that, building on the underlining strength of the Irish economy together with the experience of Ireland's past economic management, measures can be taken that will position Ireland to quickly resume its economic growth once international economic conditions stabilise.

The CILTI wish to submit proposals in two areas of logistics and transport:

- ❖ Continuation with the transportation infrastructural capital programme.
- ❖ Measures to reduce logistical costs of exports and imports.

In the very current economic circumstances the government has a very difficult task. Trying to preserve Ireland's economic position and living standards, while taking very tough decisions now that will assist Ireland make a very fast economic recovery as soon as world conditions begin to improve. Among the main factors making economic recovery easier will be the many improvements in Ireland's infrastructure under National Development Plans and Transport 21. The CILTI believes that the level of investment in the past 10 years accounted for much of Ireland's economic advancement. The goods we export or import, the movement of people to work or leisure, do so more efficiently and cheaper than ever. This infrastructure will allow Ireland's industry and people respond quickly to take advantage of any rising economic activity. The CILTI hold the view that more of this high efficiency infrastructure in place will assist in achieving this earlier. The CILTI understands that current conditions make it very difficult to finance large infrastructural projects, but believes it is vital for them to proceed. The Institute proposes two arguments for this.

1. Good infrastructure in place improves economic activity recovery response time while further improvements in the infrastructure can accelerate this process.
2. Infrastructural projects in themselves, stimulates economic activity and also prevent a loss of expertise required with an upturn of activity.

The CILTI are of the view that while projects in the recent past had to meet strict cost benefit guidelines they did not have to compete with each other in an economic environment of much scarcer financial resources, i.e. prioritised on the basis of which project provided the best returns. The CILTI believes that projects should go ahead but

must meet guidelines matching the current economic situation and stricter cost benefit ratios than heretofore. In these circumstances some alterations to the T21 plans may be necessary but projects with the highest ratios should be delivered as planned.

The CILTI recommend to the Minister that the infrastructural capital programme should continue, applying stricter cost benefit analysis appraisal to prioritise the projects to be completed first.

Ireland is a trading nation, we export products and services, we import raw material and product. Our current and future wealth depends on being able to sustain and increase the effectiveness of doing this. Our logistical system is a vital element of this, its current efficiency must be maintained and improved to enable Ireland's trade to continue to hold its share of the world market. The CILTI believes that measures such as increases in exercise duty on fuel or other taxation measures increasing logistical costs for Irish manufacturing and transport businesses would be counter-productive.

The CILTI recommend to the Minister that taxation not be applied that would add to the logistical costs of moving goods.