



## Confederation of Irish Industry

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### PRESS RELEASE

Speech by Liam Connellan, Director General, Confederation of Irish Industry, at Meeting of CII Cork Regional Council at the Cork & County Club, on Monday, 7th March 1988 at 1.00p.m.

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#### URGENT NEED FOR INTEGRATED NATIONAL PRODUCTIVE INFRASTRUCTURE PLAN

The creation of a Single European Market without frontiers is now imminent. By 1992 it is planned that there will be no need for customs' posts either on this island or throughout the rest of the European Community. The elimination of all barriers to trade will create unparalleled opportunities and rewards for efficiency. It will penalise the inefficient.

The recent EEC summit agreed to a doubling of the structural funds for the weaker regions of the Community including Ireland in order to enable those regions to enhance the quality of their productive infrastructure so that they can grow more rapidly. An average of £450m per annum may be allocated to Ireland over each of the next five years for this purpose.

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These funds are being allocated to improve the overall competitiveness of Ireland as a region of the Community rather than to cope with specific inter-regional problems within Ireland. It is essential that an integrated productive infrastructure plan should be prepared urgently for the whole economy to ensure that the greatest benefit will accrue from this expenditure. This plan must be focused on improving the relative competitiveness of producing goods and services in Ireland vis-a-vis other regions of the European Community.

The following are some of the issues which I would recommend should be part of such a plan :-

1. **Transport Infrastructure**

- a. **Roads:** The average speeds attainable on our strategic road network accounting for only 8% of all roads, is little more than half that attainable on the Continent. For example, it is possible to average up to 80 miles per hour on the road from Cologne to Frankfurt but little more than half that speed between Dublin and Belfast or Dublin and Cork. Slow speed, and traffic jams, are adding to costs, and pricing Irish goods out of export markets. The penalty is greatest for firms which operate at a distance from the main ports. One firm in the West

estimates an additional annual cost of flm per annum arising from its location there rather than close to one of the Eastern ports.

- b. **Ports:** The turnaround time for ships at our ports must be reduced by greater investment in material handling equipment and computerised clearance facilities.
- c. **Rail:** The quality of rail link between the major regional centres and the main ports must be up to the highest international standard.
- d. **Air Transport** is playing a more important role in freighting industrial goods. The development of air transport facilities encourages the location of industry nearby and can make a major contribution to the development of tourist traffic.

## 2. **Telecommunications**

The provision of highly sophisticated telecommunications facilities in a selected number of locations, such as the Custom House Docks and Shannon Free Airport, enhances the attractions of the selected locations for services based on information technology.

3. Energy

- a. **Electricity:** Ireland has the only national electricity grid in the Community which is not connected to the main European grid. The construction of a inter-connector to Britain or France would reduce the amount of under-utilised capacity in Ireland and also enable this region of the Community to buy and sell electricity from or to other regions.
- b. **Natural Gas:** Ireland is also the only region of the Community not linked to the European natural gas network. A natural gas inter-connector with Britain would improve the viability of further potential finds off the Irish coast and increase security for Irish industrial users.

4. Education

Ireland has a particularly intensive need for third level education facilities. These facilities should be regarded as part of the European third level infrastructure. The inter-change of teachers at second and third level between Ireland and other EEC countries should be encouraged as part of the process of creating a single community. It is worth

noting that almost 30,000 young Spanish second level students visit Ireland annually during their vacation to learn English.

5. **Traded Goods and Services**

New industries should be encouraged to locate close to the strategic road network. Emphasis must also also be placed on the location of appropriate industries on the parameter of airports and sea ports.

6. **Agri-Business**

How can forestry planting policy ensure the subsequent efficient transportation, processing, and exporting of the finished product? Should consideration be given to the location of pig rearing facilities based on inexpensive cereals located near a major deep water port? How can the current very high cost of transport for high volume low value agricultural products be minimised?

7. **Tourism**

How can greater investment in year round facilities for tourism be accelerated? The inter-relationship

between development of outdoor activities, indoor facilities, and conference centres located close to airports should be taken into account.

#### CONCLUSION

These are some of the issues which must be considered in the formation of an integrated programme for the development of the national productive infrastructure necessary to ensure competitiveness in the Single European Market. No single element of the system is independent of the others. Within Ireland it is clear that no single sub-region can be considered in isolation. I would urge the preparation of a co-ordinated submission to the European Commission aimed at bringing the quality of our productive infrastructure fully up to European standards by the end of 1992.

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