



Confederation of Irish Industry

Confederation House, Kildare Street, Dublin 2. Tel: (01) 779801
Telex: 93502. Telegrams: Confindus Dublin. Facsimile No. 779399

Member of UNICE - the voice of European Industry

PRESS RELEASE

Comments by Liam Connellan, Director General, Confederation of Irish Industry, at CII North-East Regional Meeting, at the Fairways Hotel, Dundalk, Thursday, 3rd October 1991 at 12.30p.m.

THE GOOD REPUTATION OF IRISH INDUSTRY MUST BE PRESERVED

CII TO PUBLISH CODE OF BUSINESS ETHICS BEFORE THE END OF THE YEAR

Business transactions rely on a high element of trust and ethical behaviour. Without these business will not thrive. Testament to the high standards of business behaviour is the industrial progress which Ireland has achieved. The hundreds of thousands of people employed in industry and their managements have taken on the challenge of developing Ireland as a modern industrial economy operating at higher levels of productivity, efficiency, and employment. Today there are more people employed in the market sectors of the Irish economy, outside agriculture, than ever before in our history. In the four year period to April 1990, 70,000 net additional jobs were created, more than at any time other than during the brief period of over-borrowing in the late seventies. This achievement was the result of hard work by everyone concerned in competing against intense international competition.

I welcome the inquiries which are taking place into recent allegations of business malpractice. It is important that those who are guilty of malpractice should face the consequences. It is equally important that people who have not been guilty of any impropriety should be exonerated without delay. Our

President: P. J. Wright. Director General: Liam Connellan. Secretary: Gerard Sheehy

Brussels Office: Irish Business Bureau, 7 rue des Deux Eglises, Boite 7,
1040 Bruxelles, Belgium. Tel: 163 22 230 96 85. Fax: 163 22 231 10 32

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primary concern must be to ensure that the reputation of Irish business and industry is maintained at the highest standard.

Ireland is an exceptionally open economy whose industries must compete with the best in the world. The fact that our exports over the last five years have shown an average growth of 10% per annum demonstrates the success of this effort. Competition at the highest level covers every element of business practice. The quality of goods, the quality of delivery, the quality of back-up service, and the quality of business conduct are all important elements in maintaining orders and maintaining customers. Businessmen, both at home and abroad, need to have a high level of trust and good faith in one another's professionalism and standards if business is to thrive. Clearly, the successful growth of manufactured output in Ireland demonstrates that this trust has been earned.

The task of fostering the continued growth of the economy requires sustained confidence in the quality of business practice. The recent spate of allegations has been damaging to that basic endeavour of industry to grow, prosper and contribute to the well-being of society. The vast majority of successful business transactions are the result of initiative, skill and hard work. Companies are legal entities with legal obligations, and company law is in place to ensure that business activity is carried out in an orderly fashion. It is a fact of the human condition that some individuals may act, not only contrary to company law, but also to the business ethics upon which all business transactions should be based. When malpractices occur they must be investigated and rectified openly and without favour. The innocent must be protected from unproven allegations. This combination of even handed justice which protects the innocent, and penalises the guilty ensures confidence in a system which allows business to prosper, and employment to expand.

Most professions publish guides to professional ethics to ensure that high standards are maintained. Professions such as accountancy, engineering, law, and medicine have well developed and policed codes of ethics. Many of these professions are key partners in business transactions and ensure that the great majority of these transactions meet the highest standards of integrity. To enhance this trust within the area of general business activity, the Confederation of Irish Industry intends to develop and publish a Code of Business Ethics which will draw on the experience of relevant professional bodies and other organisations, on financial and investment institutions and on the experience of international business organisation and management institutes. Particular attention will be given to policing mechanisms. It is planned to complete the work before the end of the year at which stage the Code will be promulgated widely among the members of the Confederation, and to education and training institutes.

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