



Confederation of Irish Industry

Confederation House, Kildare Street, Dublin 2. Tel: (01) 779801.

Telex: 93502. Telegrams: Confindus Dublin. Facsimile No. 777823

PRESS RELEASE

Speech by Liam Connellan, Director General, Confederation of Irish Industry, at the French-Irish Chamber of Commerce Luncheon at Hotel Royal Manceau, Paris, on Tuesday, 18th October 1988 at 1p.m.

SINGLE EUROPEAN MARKET OFFERS POTENTIAL FOR RAPID EXPANSION OF FRANCO-IRISH TRADE AND INVESTMENT

As a representative of Irish industry I am very pleased to be with you to-day on this historic occasion marking the formal designation of the French-Irish Chamber of Commerce under the auspices of the Paris Chamber of Commerce.

The trading links between France and Ireland go back at least to the 6th century. In 590 St. Columbanus founded the monastery of Luxeuil and in the 7th century three additional monasteries were established. In the 17th century Irish woollen manufacturers who were prohibited from exporting from Ireland set up factories in France. After the Williamite wars at the end of the 17th century thousands of Irish soldiers, the so-called "Wild Geese", migrated from Ireland to France and placed their swords at the service of the King of France. Following this migration Ireland made a major contribution to the development of the drinks industry through the establishment of the famous firm of Hennessy.

But the flow of people and trade was not only one-way. In the 17th and 18th centuries the French Huguenot settlers in Ireland set up a thriving silk industry which at one time employed 12,000 people in the city of Dublin. In the 18th century the renowned La Touche family played a key role in founding what are today our main Irish banks.

There are many other links between our two countries ranging from the establishment of the Irish College in Paris in the 16th century to participation by the French military expeditions of Generals Hoche and Humbert in the events surrounding the 1798 rebellion.

President: D. P. Whelan. Director General: Liam Connellan. Secretary: Gerard Sheehy.

Brussels Office: Irish Business Bureau, 66 Avenue de Cortenberg, 3rd Floor, Box 3, 1040 Brussels, Belgium. Tel: 163 22 736 19 74. Telex: 65311 IBBBXL

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Today France and Ireland are partners in developing the European Community. France is Ireland's third largest trading partner after Britain and the Federal Republic of Germany. It is also Ireland's fourth largest supplier.

The main Irish exports to France are computers, meat products, chemicals, scientific equipment, and pharmaceuticals. The main Irish imports from France are cereals, passenger cars, petroleum products, electrical machinery, and wine.

Although trade between our two countries has doubled every four years since Ireland joined the European Community in 1973, there is still very great scope for improvement

While Ireland accounts for 4% of British imports, we account for less than 1% of French imports. France currently imports 160 FF per capita annually of Irish products while Britain imports 580 FF per capita of Irish products - more than three times as much.

Similarly Britain accounts for 37% of Irish imports while France accounts for only 4% - more than nine times as much.

These figures indicate the potential for improvement and should encourage us to greater efforts to expand the volume of trade between our two regions of the European Community.

In relation to investment, there are ^{about 25} ~~more than 20~~ French manufacturing firms in Ireland producing a wide range of products ranging from telecommunications to pharmaceuticals and cosmetic products. French involvement has been particularly strong in the development of the telecommunications sector through the participation of companies such as CIT Alcatel and Telemecanique. However, there is still a long way to go in developing much higher levels of investment in each direction. For example, Ireland has 320 US manufacturing subsidiaries, 207 from Britain, and 128 from the Federal Republic of Germany.

I look forward to the day in the not too distant future when I would hope that there will be comparable number of French manufacturing companies

operating in Ireland reflecting the importance of France's economic power within the European Community.

I recognise that investment flows should be two way, and have little doubt that Irish manufacturing investment in France should also increase sharply.

Single European Market

Irish industry is strongly committed to the rapid evolution of the Single European Market. Ireland exports 75% of its industrial output and most of these exports are to the other member states of the European Community. We are strongly committed to free trade and to the elimination of all physical, fiscal and technical barriers to trade. We believe that competition is the best stimulus to innovation and expansion.

Our economy is being managed prudently and conditions are favourable for significant growth in the coming years. For example:

- Ireland's inflation is 2.1%, well below the Community average;
- Our three-month inter bank rate is 7.6%, broadly in line with that of the ECU and French franc;
- Under the Programme for National Recovery a 2.5% per annum pay deal has been agreed between employers and unions and Government for the three years 1988-1991, and
- We have a balance of payments surplus of 4% of GNP.

The volume of manufacturing output has been growing at an annual rate of about 10% over the last two years.

However, we still have need for great progress in reducing unemployment. Our population has expanded by 15% since we joined the European Community. More than half the population is under 28 years of age. The quality of our third level education system is excellent and almost 40% of young people now complete third level studies. Meanwhile, in our secondary schools, about two-thirds of all pupils study French as their second language.

These figures illustrate that Ireland is an exciting place for expansion and development, and underlines the importance of the activities of the French-Irish Chamber of Commerce.

Objectives for Development

I believe that the French-Irish Chamber of Commerce, under the auspices of the Paris Chamber of Commerce, and the Ireland-France Economic Association affiliated to the CII, have an exceptionally important role to play in being a catalyst for the more rapid expansion of two-way trade and investment between our two countries. On behalf of the Confederation I want to underline the very strong support of Irish industry for the activities of each organisation.

I welcome the strong vote of confidence given to French-Irish economic relations to-day by the Paris Chamber of Commerce. I look forward to deepening the fraternal relationships not only between the French-Irish Chamber of Commerce, and the Ireland-France Economic Association, but also the partnership between the CII and the Paris Chamber of Commerce in the pursuit of our common objectives.

In the context of the completion of the Single European Market I would like to suggest that together we might set our sights on achieving by 1992 the following goals :

- A doubling of French-Irish trade in each direction.
- A doubling of French-Irish investment in each direction.
- A doubling of French-Irish tourism.

Achievement of these targets would make significant progress towards bringing Franco-Irish trade and investment flow up to levels comparable to those between Ireland and Britain, and between Ireland and the Federal Republic.

I am very appreciative of the excellent progress made recently by the IFEA and the French-Irish Chamber under the leadership of Henry Tierney, and Damon Pollard. But I want to recommend another objective: to double the membership of each organisation over the next year by greater involvement of senior business executives.

Our organisations have a particularly important role to play in these developments. The contacts between business people, the interchange of information, and the personal relationships and friendships which develop

are fundamental to the more rapid expansion of trade and investment. Ireland and France have always had very close cultural and political ties. I want to pledge my support today on behalf of the CII, to work more closely with you and the Paris Chamber of Commerce in assisting your efforts to forge ever closer ties between our two countries.

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