



PRESS RELEASE

Speech by Liam Connellan, Director General, Confederation of Irish Industry, at the Regional Technical College, Galway, Thursday, 10th April 1986 at 8.00p.m.

BETTER KNOWLEDGE OF GERMAN A KEY TO FASTER INDUSTRIAL GROWTH

Economic growth depends more than ever on our capacity to export. Proportionately Ireland is the third largest exporter in the European Community and is likely to move into second position within the next two years.

Exports

Germany is an exceptionally important export market for Irish industry. It has the greatest purchasing power among EEC member states. For geographical, historical, and language reasons almost half of Irish exports to EEC countries are sold to Britain. Ireland's penetration of the German market is proportionately only one-fifth as great as our share of the British market.

EXPORTS TO
GERMANY

This situation has changed dramatically over the last decade. In 1973, Irish exports to Germany were less than one-tenth of our exports to Britain but by 1985 they

accounted for almost one-third. On current trends Irish exports to Germany could be as great as our exports to Britain by 1995. Ireland sells more to Germany than to France. As Germany has the greatest purchasing power of EEC member states, it should be a primary target for Irish exports. Irish manufacturers account for 3.3% of British imports but only 0.6% of German imports. If Ireland could achieve the same penetration of the German market as it currently has of the British market this would result in an increase of about 25% in industrial output and could create up to 25,000 additional jobs in manufacturing industry.

Although Ireland now exports almost £1,000 million annually to the Federal Republic it is worth noting that Germany imports five times more from Austria and almost four times more from Sweden.

Imports from Germany

Since 1976 Ireland has had a favourable trade balance with the Federal Republic. Last year we exported £255m. more to Germany than we imported. However, imports into Ireland from Germany are also increasing and Germany is our third largest supplier after Britain and the United States. Britain is still the dominant supplier to the Irish market and supplies 43% of our imports compared to 8% from Germany. This discrepancy reflects traditional

IMPORTS
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customer-supplier relationships and a common language. Although the value of Irish imports from Germany has increased rapidly since Ireland joined the European Community - from £93 million in 1973 to £750 million in 1985 - there has been no increase in the share of our imports originating in Germany.

German exports to Ireland represent only 0.4% of total exports while Denmark imports five times more products from Germany.

German Investment

Germany is a major investor in the Irish economy. For the last decade it has been the largest investor in Ireland, after Britain, of the EEC member states, and has invested six times more than France.

INVESTMENT
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Tourism

Germany is a major source of tourism revenue and accounts for 6% of our tourist earnings compared to 4% from France.

Importance of Knowledge of German

In view of the exceptional importance of Germany as a rapidly growing export market, as a major investor in the Irish economy, and of its significance as a source of tourism revenue, it is disappointing that the proportion

of leaving certificate students studying German languages at 4%, is far below the creditable 61% studying French.

There has been no improvement over the last decade.

It must be emphasised that a knowledge of German, or any other modern language, will not guarantee one a job as a business executive in marketing, production or finance. It will, however, ensure that a good business studies, engineering, or accounting professional will be much more valuable. There are few business executives who cannot improve their performance by acquiring a sound working knowledge of modern Continental languages. Marketing executives who can communicate with their customers in their own languages, research engineers who can keep up-to-date with developments and work in collaboration with their colleagues on the Continent, and financial executives who can negotiate joint ventures can build a solid foundation on which Irish industry can expand.

GERMAN
LANGUAGE

The exceptional importance of business executives having a working knowledge of German is highlighted by the forecast that in the coming year the German economy is expected to be the locomotive which stimulates faster economic development throughout the European Community.

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