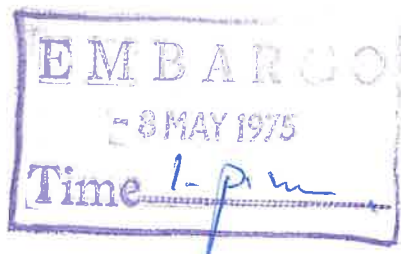


28 Fitzwilliam Place  
Dublin 2, Ireland  
Telephone 760366  
Telegrams  
Confindus Dublin  
Telex 4711



Registered in Dublin  
Registered No. 6706



17.

# PRESS RELEASE

## The Confederation of Irish Industry

Speech by Mr Liam Connellan, Director General, Confederation of Irish Industry, at the Opening of Telecommunications Limited Exhibition at New Jury's Hotel, Ballsbridge, Dublin at 12 noon on 8 May 1975.

---

The world market for electronic goods at present is about £10 billion. Between 1971 and the start of the present recession the average growth rate of the industry was about 18% per annum. This growth rate is expected to resume from 1976 to the end of the decade.

The industry is characterised by major expenditure on research and development, and also, significant annual increases in productivity. Output per capita is expected to double by 1980. This industry suits Ireland. It manufactures high value, low volume products which do not suffer a major disincentive because of our distance from markets. It requires highly trained technologists and technicians, of which we have a large number. This industry may be better equipped than most to cope with the gradual loss in competitiveness which more labour intensive, traditional industries have suffered in recent years. However, there is no doubt that even in this industry the exceptional rate of

MORE

wage and cost inflation in Ireland in recent years is having a detrimental effect and slowing down its rate of growth.

The electrical and electronic manufacturing industries in Ireland employ, approximately, 13,000 people. These manufacture electronic components, computers, telecommunications equipment, instruments, control panels, consumer products, cable and electrical machinery. The projected capital investment in the sector, over the next five years, will be, approximately, 10% of total investment in industry in Ireland. Growth is expected to increase at a rate about three times faster than manufacturing industry as a whole.

Electrical and electronic exports account for about 3% of total exports. Many of these products are capital goods used in factories and public utilities. They are also products required by the developing OPEC countries, as well as our partners in the developed world. We, in the Confederation, welcome the decision announced by the Minister for Finance last Friday that the Irish Export Credit Scheme for Capital Goods has now been revised, and that supply of credit for one to five years can now be provided at an interest rate of 8% by the banks. This brings the Irish Scheme more closely in line with that available to exporters in other EEC countries such as Britain and France, and should result in additional export orders.

MORE

The provision of competitive finance is, however, merely the first step. The administration of the Scheme must also be greatly improved. A single agency is required which would have the following functions :

- to act as advisers to Irish capital goods exporters in negotiating contracts;
- to act as central decision maker on what funds ought to be provided for particular contracts;
- to administer the export insurance scheme;
- to underwrite buyer and supplier credit;
- to issue the necessary unconditional guarantees directly to the banks;
- to advise the Exchequer on requirements and methods of further financing.

There is also need for an Export Credit Scheme for non-capital goods, some of which are also produced by the electronics industry. Many export orders for developing markets require a financing period in excess of six months, due to shipping and administrative delays. This places an exceptional strain on the working capital of firms endeavouring to develop export markets abroad. These difficulties cannot always be overcome by additional borrowing, due to the negative cash flow currently being experienced by many firms.

MORE

Telecommunications Limited is a small Irish company, having 180 employees, which has developed an international reputation for its telecommunication equipment. From a sound home market base its exports have now reached a half million pounds per annum.

The Company's product lines include :

1. Communications antennae for radio telephones.
2. Low profile antennae for buses; a single sales advertisement for antennae recently brought the Company eighty replies from all over the world.
3. Combined transmitters/linear amplifiers - these are communal transmitters which transmit up to eight different signals simultaneously, and are used on high-rise buildings in major cities abroad.
4. Long distance point-to-point transmitters which have proved immensely suitable for use in developing countries.
5. High powered VHF transmitters.

These products are all exported and are contributing to the creation of a new image abroad for Irish industrial products. Here in Ireland, the Company markets radio telephone equipment for use in mobile units, approximately 10,000 of which have been installed to date. Radio telephone equipment in

MORE

transport vehicles can make a major contribution to reducing transport fuel costs, and also, the man-hours wasted when drivers have to return to base before moving to their next appointment. Already, this equipment is widely used by the Gardai, ESB, CIE, Aer Lingus, Bord na Mona, and, indeed, by the medical and veterinary practitioners throughout the country.

Telecommunications Limited is one of the success stories in the developing Irish electronic industry. A milestone in the Company's history was reached when a transmitter manufactured by Telecommunications Limited was used in 1959 by Jodrell Bank Observatory to bounce the first signal off the moon. The Company has continued to develop its own technological expertise, and I have no doubt, will continue to make a large contribution to the development of the electronics industry in Ireland, and to our whole economy.

END