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# PRESS RELEASE

## The Confederation of Irish Industry



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Speech to Irish Italian Business Association by Mr Liam Connellan, Director General, Confederation of Irish Industry, on 6 November 1975, at 8 p.m.

Ireland and Italy are at a very similar stage of development. Output per head is about the same. Both countries have a much larger proportion of people engaged in agriculture than other EEC member states. Both countries have massive regional development and employment problems. It is an interesting fact that, in 1973, we had an identical proportion of the labour force self-employed at 28.4%. This probably accounts for, at least, some of our behavioural similarities.

In trade, Italy is Ireland's sixth largest customer and has recently ousted Saudi Arabia as our fifth largest supplier. Trade between our two countries is in approximate balance and has grown by 100% in 1975, compared with 1974. However, the total volume is still quite low and represents only 3% of Irish international trade. Since almost 80% of Irish goods are sold within 1,000 miles of our border, it is inevitable

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that trade with a country just over 1,000 miles away has not yet developed to the level of intensity experienced with other countries. The nearer a country is to Ireland, the more we tend to sell to it per head of population. For example, we sell £10 per capita to Britain, £6 per capita to the Benelux countries, £2 per capita to Germany, and £1 per capita to Italy. Irish export development, however, is following a gradual carpet rolling pattern across Europe. Total trade with Italy in 1975 will be about £80 million. It has grown four-fold during the last four years. The reduction of tariff barriers and the improvement of communications should enable this pace of expansion to be continued through the latter half of the decade.

For example, last year, an official Irish economic mission, sponsored jointly by the Confederation of Irish Industry and Coras Trachtala, and lead by the Minister for Industry and Commerce, visited Italy. Last year also, a CTT office was established in Milan and 83 Irish industrialists made sales visits to Italy. These individual visits are being followed by a one-week Irish trade mission to Italy, which will be leaving Dublin on 24th November. There is also evidence of increased interest by Italian businessmen in Ireland. Last month, 12 Italian business men took part in a European Management Forum on the Irish economy which was held in Dublin. The Confederation would welcome further

visits by Italian businessmen to this country, and strongly supports the establishment of the Irish Italian Business Association as a means of encouraging close personal contact between businessmen in each country..

Transport links are developing. The bulk of Irish Italian trade is now carried on the new roll-on-roll-off routes through Europe, and on unit load services through ports such as Rotterdam. The existence of a regular direct container service between Dublin and Genoa is a further incentive to the development of trade. There are also daily passenger flights during the summer period supporting the growing level of tourism. For example, whereas about 10,000 Irish people visited Italy during 1974, it is worth noting that about 6,000 Italians came to Ireland. The basic transport infrastructure is, therefore, established, and each increment of growth of investment, trade or tourism will stimulate the extension of these services to meet greater demand.

During recent years, the variations in industrial production in each economy has been almost identical. In 1973, Irish industrial output rose by 10%, Italian industrial output rose by 10%; in 1974, Irish output rose by 3%, Italian output rose by 4%; in 1975, Irish non-food industrial output is expected to fall by 8%, and Italian output to fall by a similar rate per cent.

The economies are complementary. Italy is a net importer of beef and dairy products, of which we are net exporters. On the other hand, Ireland is a net importer of engineering products, which Italy exports in large quantity. The two economies are likely to be net exporters of textile and apparel goods to the remainder of the Community for many years to come. Ireland has developed a relatively strong international civil engineering and construction base. Italy already has an enviable record in major construction projects, particularly in developing countries. The recently signed Lome Convention and the operation of the proposed European Export Bank can provide a catalyst which will encourage the undertaking of joint Italian/Irish projects in third countries. Italy, too, has shown a welcome interest through its state-owned hydrocarbon company, Agip, in oil and gas exploration on the Irish continental shelf.

Trade, tourism and investment are all manifestations of a higher level of communications. Business and trade between our countries will grow only with exceptional effort. The time is now opportune to place many more bridges over the span of 1,000 miles between these two member states of the EEC. By developing Irish Italian trade, investment and tourism, we can not only make a major contribution to the development of each economy, but also, speed up the process of European economic and social integration.