PRESS RELEASE

Statement by Liam Connellan, Director General

MAASTRICHT SUMMIT

The Confederation welcomes the successful conclusion of the Maastricht Summit as an historic step forward in the integration of the economies of the European Community.

The Confederation believes that Ireland, which is dependent on a high level of exports to sustain the continuous growth in living standards, will reap significant gains from the further integration of the European market.

For Irish industry the most important results of Maastricht were :-

1. The agreement to have a single currency within eight years and possibly within six years. Ireland will be able to join if it shows that satisfactory progress is being made in reducing the debt to GDP ratio towards 60% and continues to comply with other budgetary, inflation and interest rate conditions. The advantages to industry of a single currency will be the elimination of the cost of foreign exchange transactions, and also a reduction in interest rates.

2. The reaffirmation in the Treaty that the promotion of economic and social cohesion is vital to the full development and success of the Community. The Confederation welcomes the provision of a legal basis for consolidating and further developing Community measures in this area. In particular, the Confederation welcomes the establishment of a Cohesion Fund to aid environmental and transport infrastructure although the size of this fund and its relationship to the existing structural funds has yet to be clarified. It welcomes the fact that Structural Funds will continue to play a considerable role in reducing regional disparities, and that greater flexibility has been introduced in relation to the amount of money which must be put up by the less prosperous member states.

3. With the extended introduction of qualified majority voting in areas such as education and training, the implementation of policies related to economic and social cohesion, research and development and the creation of trans-European networks in the areas of transport, energy, and telecommunications is welcome. This will speed up decision-making and increase the dynamism of the European market on which Irish industry depends.

4. The Confederation is concerned that Britain may gain a competitive advantage as a result of not agreeing to participate in social legislation and will examine the detailed proposals for the possible distortion of competition in relation to trade and investment.

END 11.12.1991