



## Confederation of Irish Industry

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PRESS RELEASE

Extracts from Speech by Liam Connellan, Director General, Confederation of Irish Industry at Annual Conference of the Institute of Personnel Management in Ireland, Great Southern Hotel, Killarney, Friday, 1st May 1987 at 2.30p.m.

### GREATER EUROPEAN ECONOMIC INTEGRATION

#### THE WAY TO PROVIDE MORE JOBS IN IRELAND

Despite the impact of two major international recessions and the difficulties arising from the abolition of all tariff protection it is remarkable that employment in the Irish economy in April 1985 was 20,000 higher than in April 1973. This employment performance was better than that achieved in the boom years of the 1960s and well ahead of the sharp decline in total employment which occurred in the 1950s. In proportionate terms it was also better than that of the European Community which showed no increase in employment over the period.

It should be noted that our higher unemployment rate in Ireland was due to the much more rapid rate of growth in the labour force in this country than in the rest of the EEC. There is a paramount need to create far more

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jobs in Ireland. This can only be done by the continued rapid expansion of exports.

The main target markets for the expansion of exports must be those of Continental EEC countries. Since 1972 Irish exports to Continental EEC countries have increased in value more than thirtyfold while the value of our exports to Britain, our traditional market, increased by less than ten times. This massive increase in exports to Continental EEC countries has accounted for some 80,000 new jobs in the Irish economy. Our exports to Continental EEC countries have doubled over the last four years and now account for almost 40% of total Irish exports. Free and open access to Continental markets resulting the abolition of all non-tariff barriers will create conditions which can enable Irish exports to be doubled again over the next four years. However, the favourable impact on employment would be much greater than in the past because our exports to the Continent have now reached the very significant figure of £3.5 billion. A doubling of these exports to £7 billion in 1990 would create 50,000 new jobs throughout the economy.

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It must be remembered that Ireland supplies a tiny proportion of total European demand for industrial products. Free access to European markets which will be made possible under the terms of the Single European Act

will offer the potential to Irish industry of doubling its output while still accounting for less than 2% of the European market.

It is a cliché to state that one of our greatest national assets is our well qualified young people. "We are the young Europeans". Almost 30% of the 18-22 age group is now in third level education. The quality of our young engineers, scientists, and business studies graduates is very high. They have little difficulty in obtaining employment in major European companies from Stockholm to Eindhoven to Munich where they gain invaluable experience. Many of them have skills which are in very short supply on the Continent. It is essential that we in the Irish business sector comprising manufacturing or traded services and export tourism should find means to harness this invaluable resource for the development of the Irish economy. There are signs that this is happening. Over the last two years industry has increased its employment of third level award holders by almost 40% and now recruits over 1,000 new graduates annually. More than two-thirds of this recruitment is made up of engineering and science award holders and almost a quarter by people holding business studies disciplines.

The changing structure of employment in industry is also clearly demonstrated by the number of newspaper advertisements for executive vacancies. Despite the difficulties of the last year there has been an 8% increase in advertised vacancies for professional staff. More than half the total demand is for people having technical or computer qualifications; about one-third for those having financial qualifications, and about 20% for professional marketing staff.

These changes demonstrate the changing employment structure in industry. They show that demand is increasing for people with technical, marketing and financial qualifications. They show too the increasing capacity of industry to respond to the challenges of increasing our share of the European market. However, we must also recognise that while the Single European Act will create the conditions for increased exports by removing non-tariff barriers, it will also be necessary to place a much greater concentration on our ability to market effectively in Continental EEC member states. We must place more emphasis on acquiring proficiency in modern Continental languages such as German and French since these two markets alone account for almost 50% of total European demand. There has been a welcome increase in the number of Irish firms recruiting export marketing trainees, and jointly sponsoring their training in

conterpart firms on the Continent.

### Conclusion

There are many sectors of the Irish economy which offer considerable scope to develop a significant share of the European market. While some have advantages arising from natural attributes such as the climatic conditions for the production of beef, dairy products, forestry, or the availability of fishing grounds, many others are based on less tangible advantages such as Irish enterprise, or inward investment arising from marketing a complex mix of factors. The development of companies which are in a position of world leadership in several areas owes most to the enterprise of Irish people working together with vision and confidence to build successful organisations. Their example underlines the enormous potential which this country possesses in its well-qualified, enterprising, and enthusiastic young people who have the capacity to be marketeers, technologists and above all people of enterprise. They are both our strength and our opportunity.

The Single European Act will speed up the opening of the market on the Continent and will provide the opportunity to achieve faster industrial output and tens of thousands of additional jobs in Ireland. The CII strongly supports the positive views of the three main

political parties on this issue and urges voters to vote  
in support of ratification and in this way create the  
conditions for a far higher level of employment in  
Ireland.

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