

Speech by Liam Connellan, Director General, Confederation of Irish Industry at CII North Dublin Regional Meeting at the Airport Hotel at 1 p.m. on Monday 7th May, 1984.

NEED TO STRENGTHEN TIES BETWEEN IRELAND AND THE UNITED STATES

The United States is by far the largest overseas investor in Ireland and is our second most important trading partner after Britain.

Hundreds of American firms have invested a total of over £3,000 million in manufacturing facilities in this country and they account for 50% of total overseas investment. These firms employ directly about 37,000 Irish people but I estimate that, when associated service employment, employment in other manufacturing firms arising from our exports to the United States, and employment resulting from U.S. visitors to Ireland is taken into account, almost one person in ten in the Irish economy is dependent on the current strength of economic contacts between Ireland and the United States.

The importance of U.S. investment has increased in recent years. There is potential for more rapid growth. As the American economy emerges from recession, more manufacturing firms are encountering production bottlenecks and are again seeking investment opportunities abroad. Exploratory visits to Ireland by American industrialists have increased in recent months. The close ethnic and cultural links between Ireland and the United States; a common language; and an attractive incentive package (increasingly matched by other countries) have combined to make Ireland an attractive location for American investment in Europe.

Last year, Irish exports to the United States expanded in value by 38% to £561 million, a much faster rate of increase than our exports to most other countries.

Irish industry has a strong interest in developing further our economic ties with the United States. Over 100,000 Irish people depend for their livelihood on these ties. Thousands of additional jobs can be created by inward investment each year but it must be recognised that, in the fine balance which exists when making international investment decisions, they can also be lost if, in an intangible way, the investment climate is perceived as less favourable.

American subsidiaries in Ireland are in the forefront of producing new technology products such as electronics and pharmaceuticals for which international demand is expanding rapidly. Our exports of these products are growing almost ten times faster than our exports of other goods. In proportion to the size of our economy, Ireland is now in a leadership role among EEC member states in producing new technology products. The change in our industrial structure, arising from access to these new technologies, often obtained from the United States, offers Ireland the potential to further expand output and employment in the face of cut-throat international competition.

There are sensitive economic and trading issues such as the sale of technological products to third countries, and proposals for a unitary tax regime on which Irish/American agreement is necessary to ensure the continued development of industry in Ireland. These and other policy issues are best dealt with through diplomatic channels.

With 220,000 people unemployed, the top priority must be to create more sustainable jobs. The United States has been the main overseas provider of new productive jobs in Ireland over the last decade. It can repeat this performance over the next decade if conditions in Ireland are perceived as favourable.

When the President of the United States visits Ireland next month he will be coming as Head of State on the invitation of our Government. American investors, American buyers, Americans of Irish extraction and tourists cannot fail to observe how their Head of State is received in Ireland. I recognise that there are policy differences between our countries on various matters in the international sphere. These should be dealt with through normal diplomatic channels. I would hope that a result of the President's visit would be to reinforce the close and friendly relationships which exist between our two countries.

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