



Ireland Connected: Trading and Investing in a Dynamic World

Summary Report



Ireland Connected: our strengths

Our openness to trade and investment is one of the mainsprings of our economy. Our economic success to date and our economic well-being into the future are founded on our commitment to trade liberalisation, to our global connectedness and to our values as an open society. Our active and successful participation as an EU Member State within the global economy is what allows us to deliver higher standards of living for our people.

We are facing a radically changing global environment, one that has significant strategic implications for our approach to trade and investment. We must respond in a new way and build on our achievements to date.

Performance under the previous Trade, Tourism and Investment Strategy (TTIS) has been impressive. Indigenous exports increased by 60% to reach €20.6 billion; export growth was strong in all geographic territories; visitor revenues exceeded targets by 20%; and the FDI project target was exceeded by 30%.

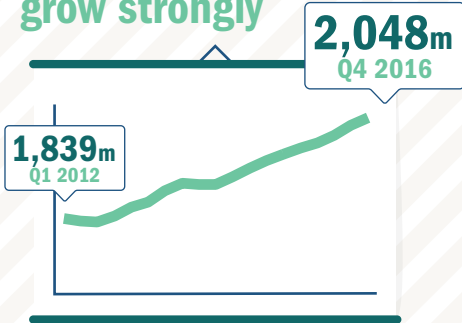
Facing challenging times, we have considerable strengths:

- our people: highly educated, open, collaborative, creative
- our commitment to the EU and access to a Single Market of 27 Member States with 450 million people post Brexit, access to a further 53 markets under EU Free Trade Agreements, and to the global reach of the WTO
- Ireland as the largest English speaking country within the Single Market post Brexit; with the attractions for FDI of having the only common law system, the advantages of EU membership, including regulatory alignment and participation in new developments such as the Single Digital Market and the Capital Markets Union
- recognition of Ireland as a global citizen who values international trade governed by fair rules and high standards of business conduct, well-functioning financial markets, and high labour, human rights and environmental standards
- our advanced enterprise, entrepreneurial and innovation base, with connections to global business networks, and well established routes to markets for Europe, Middle East and Africa and beyond
- the quality of our natural resources and our deep and enduring cultural heritage.

By working together we are confident that with the right policies and cross-Government commitment we will continue to attract FDI, visitors and international students, and to build the scale and international reach of the Irish exporting sector.

Ireland - A competitive open economy

Employment continues to **grow strongly**



Seasonally adjusted data, Source: CSO

Irish Exports **INCREASE BY OVER A THIRD** between **2011** and **2016**



Source: CSO



Destination of Ireland's Goods and Services Exports (%) 2015

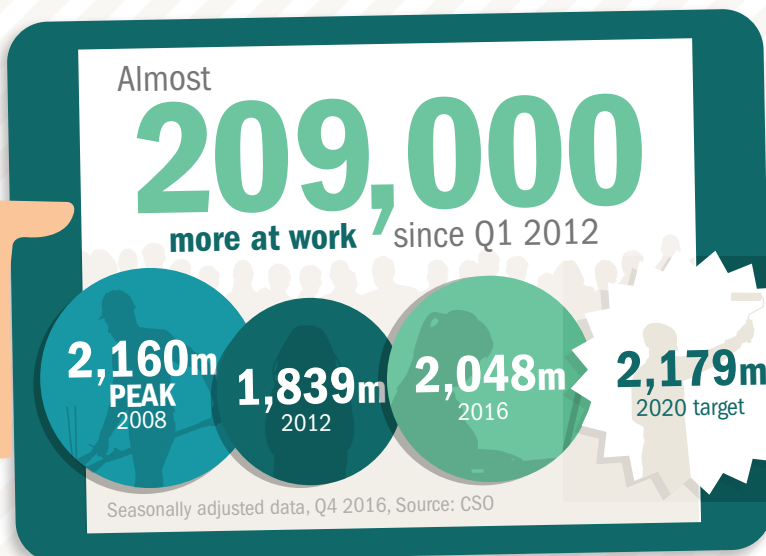
○ Goods Exports ● Services Exports

Source: CSO



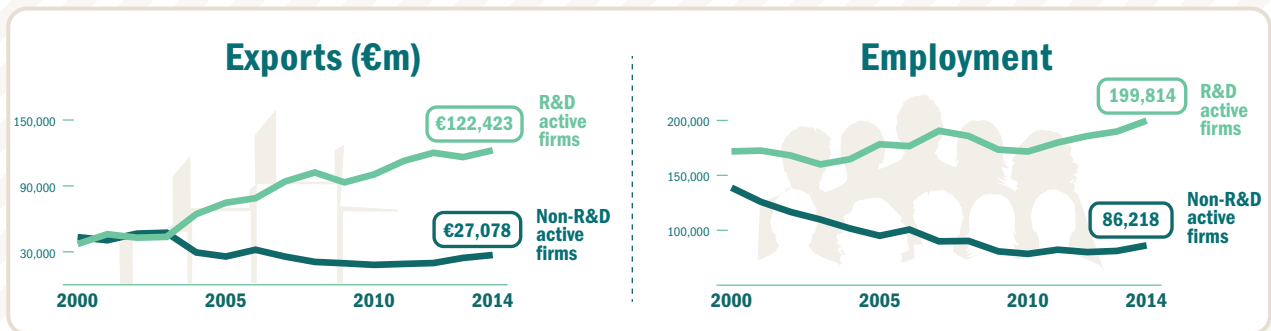
A significant improvement from **24th** place in 2011

Source: IMD Competitiveness Yearbook 2016



Seasonally adjusted data, Q4 2016, Source: CSO

Ireland - Innovative and resilient



R&D active agency firms more resilient

Source: DJEI

Irish Workforce
1st in the world
 for **flexibility** and **adaptability**

Source: IMD Competitiveness Yearbook 2016

MOST INNOVATIVE COUNTRY WORLD RANKINGS - IRELAND

13th (2011) → 7th (2016)

Source: Global Innovation Index, 2016

THIRD LEVEL QUALIFICATION IN IRELAND

Higher than the **OECD AVERAGE** in 2015



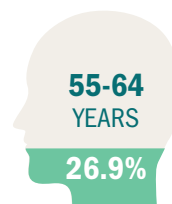
42.1% OECD average



39.6% OECD average



31.4% OECD average



26.0% OECD average

Source: OECD

Our vision



Ireland:

innovative – creative – resilient

Globally connected through people, business and research

A location of choice for investment, tourism, entrepreneurship and talent

where competitive enterprises drive export-led growth

create sustainable employment

and

deliver a higher standard of living for all

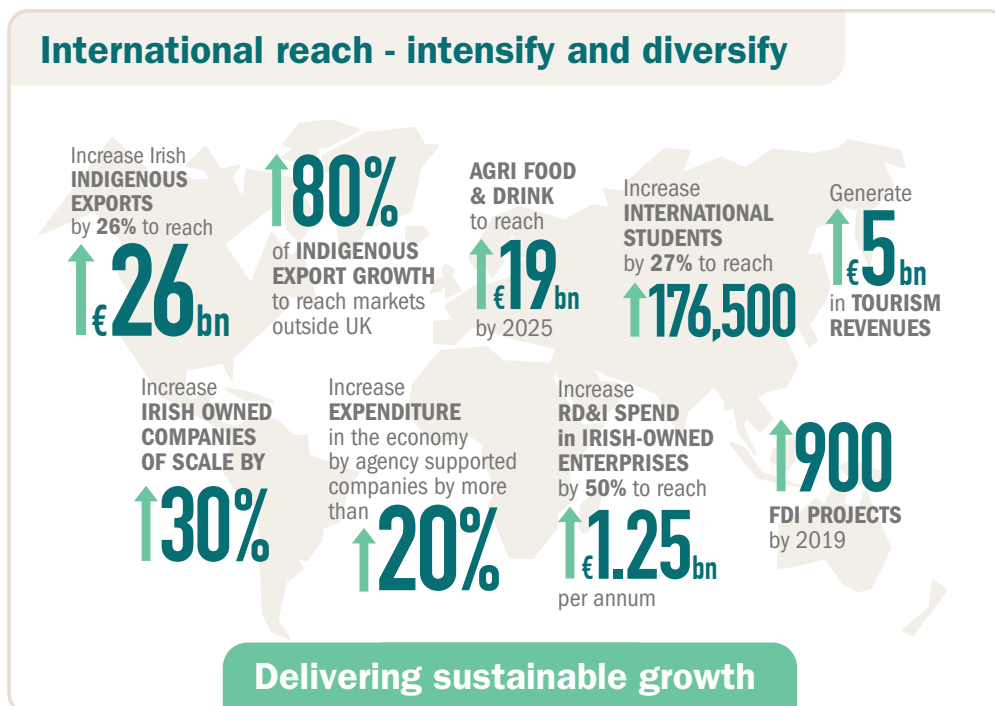
The key to our achievements in sustaining jobs and incomes is our ability to succeed in international markets. In short: we will export more; we will attract more investment, visitors and international students; we will deliver success for our businesses, for our country and for our citizens.

We will:

- implement a *region-specific and market-led approach* that takes account of our comparative advantages in sectors and is adaptive to different cultures and ways of doing business
- strengthen our *international relationships* at all levels - government-to-government : business to business : people to people
- deepen our *enterprise resilience* - intensify our connections in existing markets and diversify to new markets; capture new sectoral opportunities, and build more Irish companies of scale
- raise *Ireland's global visibility* promoting our strengths *as the best place to be... to do business, to visit, to work, to study and to live*
- reinforce *Team Ireland*, embed agility and responsiveness to new opportunities and harness the collective capabilities of our state resources at home and overseas.

Our ambition

- > *Export Growth* Increase our indigenous exports, including food, to reach €26 billion by 2020 – up by 26% from 2015
- > Generate 30,000 more jobs in tourism by 2020 and *€5 billion in overseas tourism revenues* by 2025
- > Secure *900 new foreign direct investments* in the period 2015-2019
- > Increase our *international student numbers by 27%* to reach 176,500 by the academic year 2019/2020
- > *Intensify and diversify* 80% of indigenous export growth to 2020 to be outside of the UK market and maintain exports of at least €7.5 billion to the UK
- > *Deepen resilience* Increase investment in developing innovative products, services and solutions by 50% in Irish owned enterprises to reach annual RD&I spend of €1.25 billion
- > Increase the number of our *Irish owned companies of scale* by 30% seeing a greater number exceed turnover thresholds of €3 million, €20 million and €100 million
- > Increase *value to the economy* with an uplift of 25% spend in the economy from Enterprise Ireland supported companies, and a 20% uplift from IDA Ireland supported entities.



Sectors: comparative advantage - new opportunities

There are a number of sectors in which we have comparative advantage and where Ireland is well renowned internationally. We boast a number of leading global players as well as technology rich and innovative Irish owned enterprises that are world leaders in their served markets.

- > *Agri-food* – based on a compelling Origin Green proposition with sustainability and trust at the core, and exports exceeding €11.1 billion in 2016
- > *Health lifesciences* - a strong regulatory track record and effective cluster of multinationals and Irish owned leading enterprises at the forefront of innovation, employing over 54,000 people and contributing circa 27% to our total exports
- > *International financial services* - underpinned by cutting edge technology, innovation and a highly skilled workforce, an independent regulator and robust regulatory regime. The IFS2020 strategy aims to achieve almost 30% growth in employment by 2020
- > *Technology* - employing over 87,000 people in Ireland with deep innovative competences, domain knowledge and mix of leading global players and entrepreneurial start-ups, with over €1 billion invested by VCs in 2016 – a 50% increase on 2015
- > *Global business services* - high performance delivered by a highly skilled, multi-cultural and multilingual workforce, with leading MNCs and Irish owned firms
- > *High value manufacturing (engineering)* - innovative, lean and productive
- > *Construction services* - simple solutions for complex problems – underpinned by a depth of expertise in engineering, technologies and large-scale project management, to deliver smart, environmentally sound solutions.

In addition, Ireland has significant potential for further growth and generation of foreign earnings and exports for a range of sectors. Their value is much greater than what can be quantitatively measured in terms of the cultural and people-to-people relationships that will endure over the longer term:

International education provides an opportunity for overseas students to live in and get to know Ireland, its people and its culture. It creates links and relationships between Ireland and many partners at individual, institutional and country level that will bring further engagement and economic activity in the future. These students form the basis of a new diaspora when they return to their own countries. Many will become the leaders and entrepreneurs of the future.

Tourism and the promotion of Ireland as a great place to visit, also acts as a shop window for Ireland that can lead to positive outcomes with regard to other forms of investment. Tourists get the authentic experience that Ireland offers and a sense of its culture, creativity and place. This can serve as an important first step toward future decisions regarding enterprise and investment.

Within the *creative industries*, creative thinking and design provides a proven competitive edge for businesses and is relevant to all sectors of the economy. Film, animation, and the performance arts serve to raise Ireland's profile internationally, and contribute to a strong sense of place and culture.

An evolving landscape – new opportunities...

We will continuously scan for new areas of opportunity, through:

- > *sub-sectors or niche market opportunities* such as digital games, materials, ingredients
- > *global business functions* such as clinical trial management, risk management, customer experience analysis, Intellectual Property management
- > *global business models* such as the collaborative economy, eTailing and SaaS (Software as a Service)
- > where *convergence* blurs the edges of existing sectors to produce 'new' sectors such as Agritech, security biometrics or the Internet of Things.

Team Ireland: at home and overseas

Ireland's performance overseas in winning exports and investments will continue to be driven by a range of national and sector specific strategies that sit within the overarching framework *Ireland Connected*.

At home we will continue to invest in areas that differentiate Ireland on the international stage, through¹:

- > *Connectedness* – internationally, nationally and regionally – through business, people, researchers, government and technologies
- > *Talent* – developing, nurturing and attracting world class talent for the 21st century
- > *Innovativeness* – being innovative and creative in what we do and in how we do it
- > *Place-making* – developing attractive places to invest, live, work and visit throughout Ireland

In delivering on *Ireland Connected* we will work through our global footprint to support and facilitate Irish business, and to ensure optimal engagement across the range of Ireland's trade, investment, tourism, research and education interests.

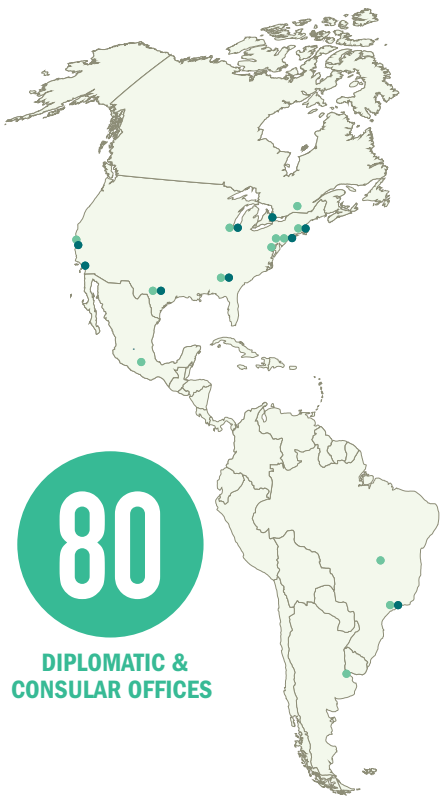
Critical to our success

is harnessing the valuable and distinctive skills and capabilities of our offices overseas, through:

- > *Consistent communications*
- > *Developing Ireland's profile*
- > *Working with our diaspora*
- > *Building relationships at all levels*
- > *Harnessing and disseminating market intelligence*
- > *Trade and investment missions and events*

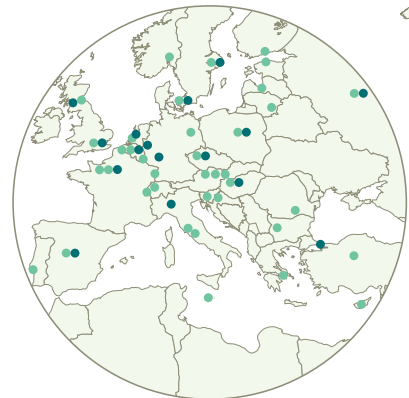
Ireland Connected: Trading and Investing in a Dynamic World will be monitored by the Government Cabinet Committee on Economy, Trade and Jobs, with a particular focus on these areas.

1 As set out in our National Enterprise Policy, Enterprise 2025 – Innovative, Agile, Connected, DJEI, 2015



Team Ireland

The Government's global network



Location of Diplomatic or Consular Office ●
Locations with a State Agency Office ●

Europe

- Amsterdam
- Ankara
- Athens
- Berlin
- Berne
- Bratislava
- Brussels
- European Union, Brussels
- Partnership for Peace, Brussels
- Bucharest
- Budapest
- Copenhagen
- Dusseldorf
- Edinburgh
- Frankfurt
- United Nations, Geneva
- Glasgow
- The Hague
- Helsinki
- The Holy See
- Lisbon
- Ljubljana
- London
- Luxembourg
- Madrid
- Milan
- Moscow
- Nicosia
- Oslo
- Paris
- OECD, Paris
- Prague
- Riga
- Rome
- Sofia
- Stockholm
- Council of Europe, Strasbourg
- Tallinn
- Valletta
- Vienna
- OSCE, Vienna
- Vilnius
- Warsaw
- Zagreb

Asia Pacific

- Bangalore
- Bangkok
- Beijing
- Canberra
- Hanoi
- Hong Kong
- Jakarta
- Kuala Lumpur
- Mumbai
- New Delhi
- Seoul
- Shanghai
- Shenzhen
- Singapore
- Sydney
- Tokyo

The Americas

- Atlanta
- Austin
- Boston
- Brasilia
- Buenos Aires
- Chicago
- Mexico
- New York
- United Nations, New York
- North California
- Ottawa
- San Francisco
- South California
- Sao Paulo
- Toronto
- Washington

Africa

- Abuja
- Addis Ababa
- Dar es Salaam
- Freetown
- Johannesburg
- Kampala
- Lilongwe
- Lusaka
- Maputo
- Nairobi
- Pretoria

Middle East and North Africa

- Abu Dhabi
- Cairo
- Doha
- Dubai
- Ramallah
- Riyadh
- Tel Aviv

Taking action

We need to prepare for a substantially changed global environment and to assist our companies to navigate their way through the uncertainties.

Ireland continues to prepare for upcoming negotiations between the EU27 partners and the UK and to prioritise those issues which will facilitate the most effective and least disruptive future trading relationships and the future Landbridge to Europe.

We will continue to work with the Northern Ireland Executive to support the all-island economy and to mitigate the economic impact of the UK's decision to withdraw from the European Union.

In our *immediate response to Brexit*, we will:

- 1.** *Increase our resources deployed in overseas* markets to strengthen existing markets and diversify to new markets for exports and FDI – in order to create jobs for our people and meet our ambition to have 200,000 more people at work by 2020.
- 2.** *Work directly with companies most exposed to Brexit* and provide the necessary supports and expertise to help them navigate immediate challenges.
- 3.** Undertake enhanced *programmes of Minister-led trade missions* and bilateral visits overseas to deepen existing trade and investment relationships and to forge new linkages across a range of markets.
- 4.** Develop *sector by sector responses* based on in-depth analysis of the implications for Ireland's most exposed sectors including in the first instance, Agri-food, ICT and Retail which will inform our approach to negotiations so that we achieve the best possible outcome for our enterprises.
- 5.** Roll out a *Finance Initiative* to support the working capital needs of export oriented SMEs. In addition, we will support our SMEs' efforts to deepen market penetration, diversify to new markets, invest in RD&I and in plant, machinery and technologies.
- 6.** Work with all relevant stakeholders to *safeguard the all-island economy*.

Preparing for the structural changes underway

While an immediate response to global factors that impact our enterprises and challenge existing trading arrangements is needed, we need also to look at the longer term.

Our policy objective is to deepen Ireland's resilience, its agility and responsiveness to factors outside of its control.

We will:

- 7.** *Optimise Irish interests in negotiation and implementation of EU trade and investment agreements*, in particular, our transatlantic relationship, China Japan, South Korea, India and ASEAN, and ensure that our Irish companies can take advantage of newly completed agreements such as with Canada in 2017.
- 8.** *Intensify* activity in established geographic markets *and diversify* further into those in which we already have a foothold. In addition, we will continue to seek out new high growth and emerging geographic market opportunities and determine the most appropriate response.
- 9.** Deliver whole of government *strategies for the Americas and Asia Pacific regions* to harness opportunities for Irish trade, investment, education and tourism. We will also develop tailored regional approaches for Europe, Middle East and Africa focused on intensifying activity in core markets.
- 10.** Identify *new areas of sectoral growth that present an opportunity* for Ireland by leveraging our depth of expertise and in-market intelligence and enhancing communications across Team Ireland at home and abroad.
- 11.** *Build our capabilities in foreign languages* and understanding of cultural differences for marketing, building relationships and ways of doing business.
- 12.** *Raise Ireland's visibility internationally*, engaging more strategically with international media and our innovative global connections to create long-term networks of influence for Ireland abroad.
- 13.** *Build and deepen relationships* at all levels, engage with the global Irish business community, expand research collaborations, strengthen linkages in education, develop economic partnerships reinforcing Ireland's connectedness across the world.
- 14.** Continue to *strengthen our business environment for trade*, provide a streamlined visa service, develop global transport connectivity, build our network of Double Taxation Agreements and Foreign Earnings Deductions aligned with trade priorities.
- 15.** Reinforce *Team Ireland at home and overseas* – ensuring that we harness the collective capabilities of our Government Departments, Agencies, Embassies and public bodies to deliver on our ambition for Ireland's economic growth and sustainable full employment.

We will demonstrate an enviable agility that can be more easily embedded in a small country such as Ireland. Our system will be truly anticipatory, responsive and adaptive.

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Department of Jobs, Enterprise and Innovation

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