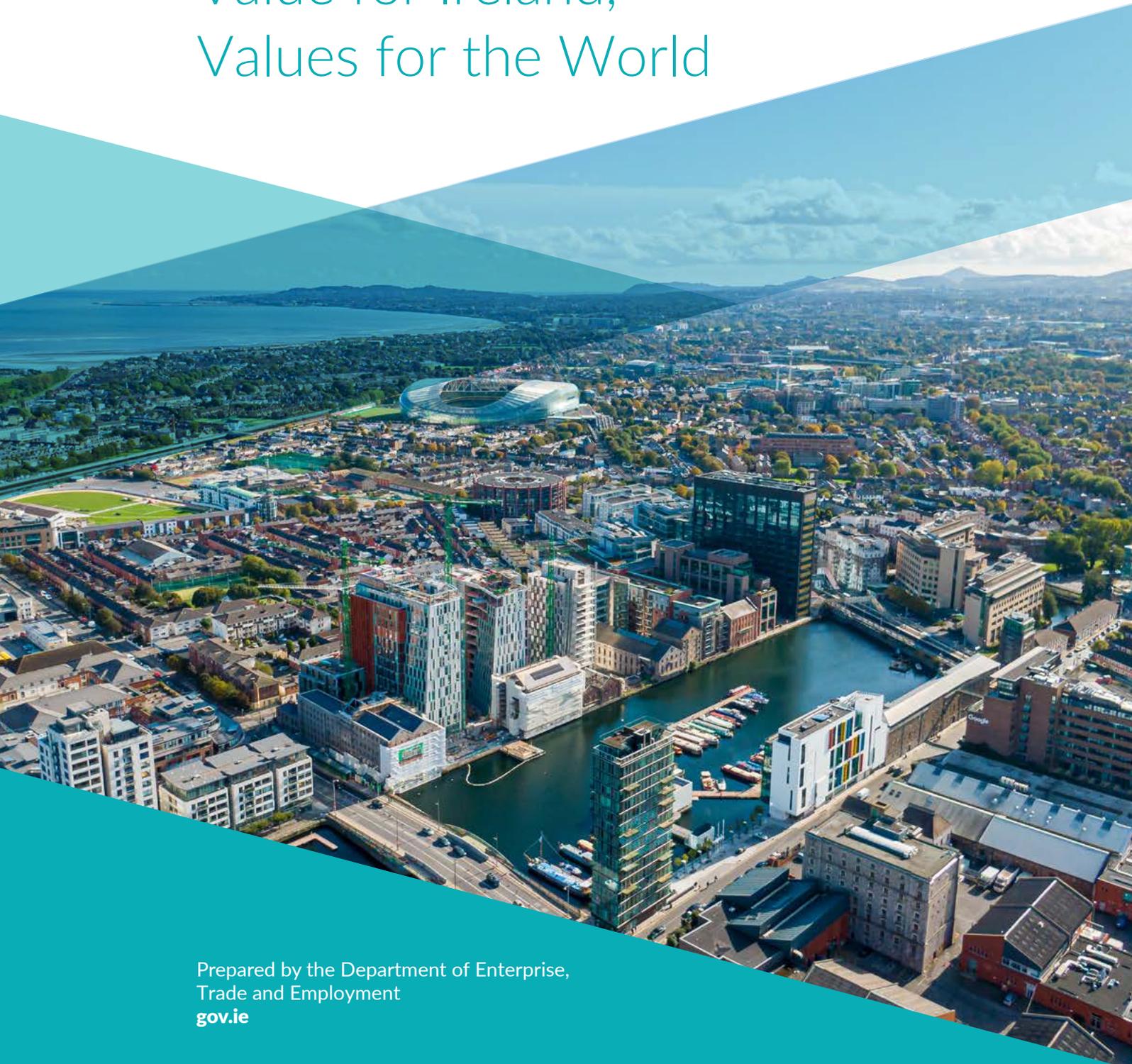




Rialtas na hÉireann
Government of Ireland

Trade and Investment Strategy 2022-2026

Value for Ireland,
Values for the World



Prepared by the Department of Enterprise,
Trade and Employment
gov.ie

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Taoiseach's Foreword



Taoiseach's Foreword



Recent years have been challenging ones for the global economy. The COVID-19 pandemic and the current war in Ukraine have shown clearly how interconnected we all are, and how vital it is that small open economies like Ireland constantly scan the horizon and adjust their approach to meet new realities. That is the purpose of this new, whole-of-government Trade and Investment Strategy.

As we look to the future, Ireland needs to anticipate and to be ready for constant change and disruption. This Strategy equips us with a resilient trade and investment framework, and an action plan to enable us to achieve sustainable growth, to diversify our export markets, to grow our all-island economy, and to achieve higher living standards and wellbeing for our people.

Ireland believes in the multilateral, rules-bound order that supports our ability to trade around the world, in a fair and sustainable way. It is a cornerstone of our national prosperity. At a time of global challenge, its continuation and effective functioning cannot be taken for granted. We must, therefore, continue to be not just beneficiaries of, but also strong advocates for it as set out in this Strategy.

As we celebrate 50 years of EU membership, the Strategy also recognises, rightly, how important a well-functioning EU Single Market is for Ireland. It provides market opportunities for our enterprises, helps deliver lower costs for businesses and for consumers, offers choice, and boosts growth. Under this Strategy Ireland will continue to work with our like-minded partners to ensure that the Single Market is deepened further to help deliver its full potential, including in the area of services.

Our EU membership also makes us part of the growing network of EU Free Trade Agreements, supporting more opportunity for exports and investment, helping support jobs and growth at home, and supporting higher environmental and human rights standards around the world.

A handwritten signature in black ink that reads "Micheál Martin". The signature is written in a cursive, flowing style.

Micheál Martin TD

Taoiseach

Tánaiste's Foreword



Tánaiste's Foreword



Many countries owe their relative wealth and prosperity to their natural resources like coal, oil, gas and precious metals. Some grew rich through conquest and colonialism. For Ireland, we owe our relative prosperity to our land and our people: the goods and services which we produce and sell around the world. We depend on trade. Our success and living standards are based on a formula of trading goods and services internationally, our attractiveness as a place to invest and our ability to enter into international free trade agreements with other countries. This formula is strengthened by our position at the heart of Europe, its single market and the Eurozone. It has to be reinforced day-in, day-out by our enterprise agencies, officials and diplomats. It cannot be taken for granted, especially in a world that is changing before our eyes.

So, I think it's timely to publish a new Trade and Investment Strategy, Value for Ireland, Values for the World. The past two years during the pandemic has been a period like no other. We had to show pragmatism, adaptability and a willingness to do things we would never have contemplated before. The war in Ukraine adds further uncertainties on energy prices, the supply chain, inflation and consumer confidence. It will accelerate the green transition and particularly energy independence and the circular economy. It has proven the need to have greater strategic autonomy and storage capacity. However, we must continue to guard against protectionism.

This Strategy articulates our plans for trade and investment and also climate and sustainability, setting out our principled and holistic approach to trade policy. Following the transfer of the trade promotion function from the Department of Foreign Affairs to the Department of Enterprise Trade and Employment, I established and chair a cross-government and cross-agency Trade and Investment Council, which will oversee implementation of the Strategy. It outlines seven priority actions, including:

- Attending to our broader ecosystem to maintain and enhance our competitiveness, to grow Irish-owned business, attract FDI and maintain high standards of living.
- Establishing an Expert Group on Global Value Chains and Supply Chains to identify global supply chain opportunities and threats. The Group will examine themes such as economic nationalism, open strategic autonomy, and 're-shoring' initiatives.
- Launching a Government of Ireland communications campaign to highlight the benefits of international trade and investment to a broader Irish domestic audience and foster a deeper understanding of the important role that trade and investment plays in providing jobs and to promote Ireland's and the EU's wider interests, including our values, principles and standards.
- One 'whole-of-government' trade mission annually.
- Making businesses more aware of our network of free trade agreements and tax treaties.

I look forward to working with the Council in the coming years. Expanding global trade in an economically efficient and principled way will be essential to Ireland's economic wellbeing, living standards and sustainable development in the long-term.

A handwritten signature in black ink, appearing to read 'Leo Varadkar'.

Leo Varadkar TD

Tánaiste and Minister for Enterprise, Trade and Employment

Executive Summary



Executive Summary

Global trade is essential to Ireland's economic wellbeing and a key pillar in underpinning Ireland's economic recovery. International trade and investment underpins 1.3 million jobs in Ireland. In 2021, Ireland's total trade with the world exceeded €840 billion, a record level. The EU is our largest destination market accounting for 34% of our exports, while the transatlantic relationship with the US accounts for over 20% of our exports and is of growing importance.

The overarching goal of our trade and investment strategy is to see Ireland grow sustainably, diversify our export markets, and provide for continued prosperity and higher living standards. Our new trade and investment strategy "*Value for Ireland, Values for the World*", implements the commitment in the Programme for Government *Our Shared Future*, and is also a major action in the Government's *Economic Recovery Plan*. It complements other Government policies and initiatives and aligns economic investment with the spatial strategy set out in *National Development Plan 2021-2030* and the *National Planning Framework*.

Trade policy plays an important role in promoting and protecting Ireland's values and standards. Ireland endorses the positive contribution that trade and investment can make to sustainable development. International trade and trade agreements cover not just trade itself but also a range of policy areas, such as international flows of investment and labour, intellectual property rights and environmental protection. International trade and the associated rules influence how countries, organisations and people live, transact, invest, work, and, ultimately, develop.

Value for Ireland, Values for the World seeks to best-position Ireland's trading and investments relationships in an uncertain world. While already strained by geopolitical, economic, and environmental tensions, COVID-19 has added further challenges to Ireland's international trade. Addressing these tensions requires greater effort and collaboration across the whole of government, bringing synergy, creativity and urgency to the existing suite of strategies across trade and investment.

The Tánaiste established and chairs the Trade and Investment Council to address the challenges identified in this strategy. Involving Ministers, heads of state agencies, and representatives of business organisations the Council will oversee a number of priority actions.

The Department of Enterprise, Trade and Employment (DETE), has been working closely and collaboratively with colleagues from across government and state agencies, taking great care to ensure that this trade and investment strategy addresses not only trade and investment issues but also climate and sustainability issues, by setting out our principled and holistic approach to trade policy.

The new Trade and Investment Strategy sets out a number of priority actions requiring a collaborative and whole of government response: These are:

1. Promote and enhance Ireland's Economic and Trade 'Ecosystem'

We will prioritise attention on our broader ecosystem in order to maintain and enhance our competitiveness, in terms of growing Irish-owned business, attracting FDI and maintaining a high standard of living.

DETE will work with the National Competitiveness and Productivity Council to consider these broader ecosystem issues where they impact on Ireland's trade and investment performance; and these matters will be brought forward for discussion and direction by the Trade and Investment Council.

2. Review and refresh the Local Market Teams

Ireland's network of embassies, consulates and state agency offices abroad operate as Local Market Teams (LMTs). There is co-operation between government departments and agencies to deliver the Government's trade and investment objectives in key markets. However, given global economic developments and changes since the Local Market Team concept was first introduced in 2010, it is now timely to review it. This review will be conducted by DETE and overseen by the Senior Officials Group to the Trade and Investment Council.

3. Positioning Ireland within Global Value Chains and Supply Chains

The current geopolitical environment, coupled with the impacts of COVID-19 and the twin green and digital transitions, has placed an increased focus on the future of global supply and value chains. Supply chain risks include cybersecurity threats, natural disasters, escalating trade tensions, rising protectionism, changing climate patterns and policy uncertainties.

In order to increase Ireland's resilience, an Expert Group on Global Value Chains and Supply Chains will be convened to identify global supply chain opportunities and threats. The Group will examine themes such as economic nationalism, open strategic autonomy, and 're-shoring' initiatives.

4. Communicating Ireland's Interests as a trading nation

A Government of Ireland communications campaign will focus on highlighting the benefits of international trade and investment to a broader Irish domestic audience, the aim is to foster a deeper understanding of the important role that trade and investment plays in providing jobs and enhancing the wider economy in Ireland and to promote Ireland's and the EU's wider interests, including our values, principles and standards.

5. Maximising Ireland's return from EU Free Trade Agreements

EU Free Trade Agreements (FTAs) open new markets for Irish companies and increase jobs, exports and investment opportunities. To maximise their benefit to the Irish economy, we will promote the benefit to Irish exporters and importers of the wide network of FTAs already in place, including ensuring ease of access to Irish and EU information on how Irish companies can readily trade with partner countries.

6. Team Ireland - Trade Mission Week

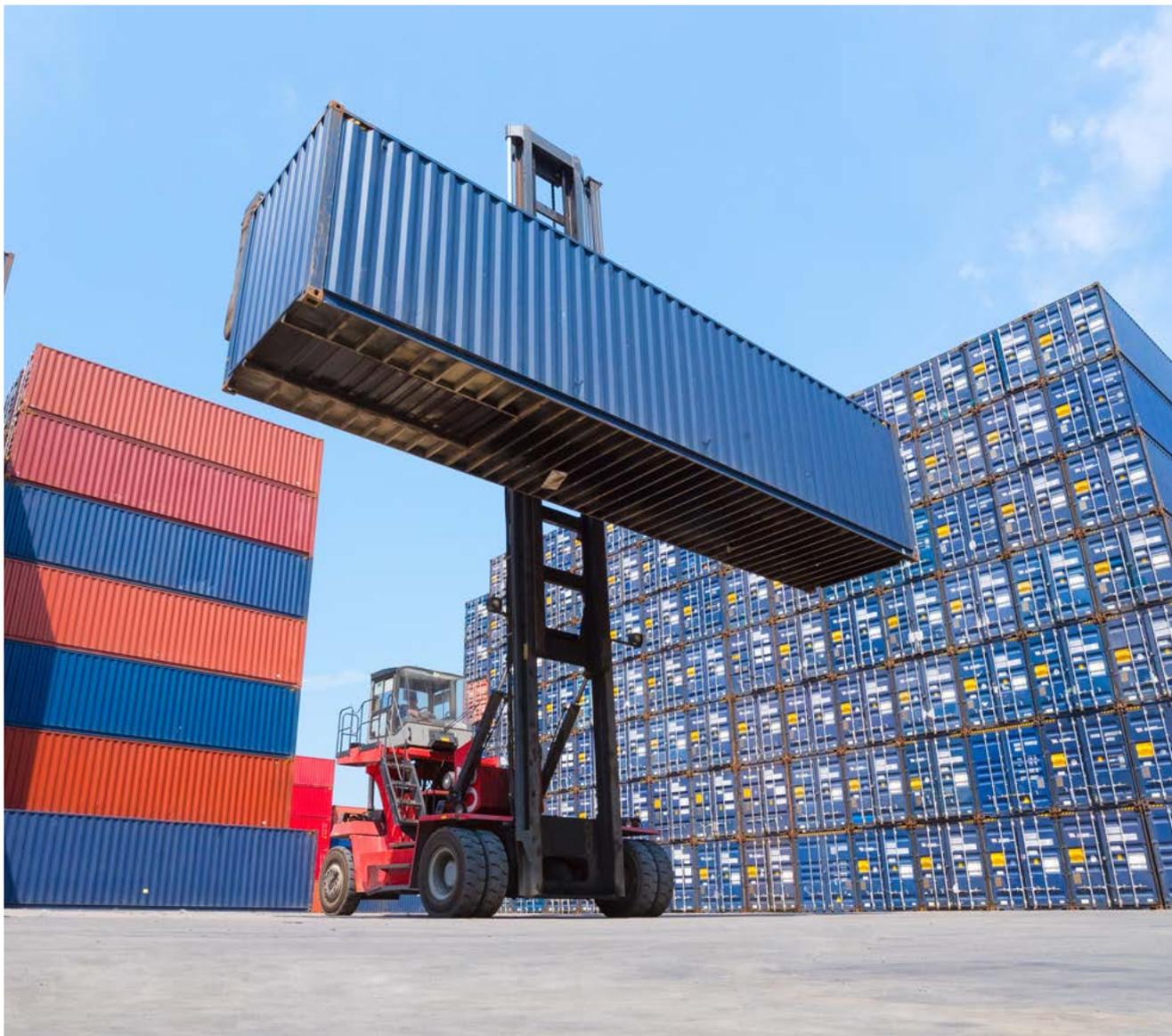
Team Ireland Trade Mission Week will take advantage of the expertise and economies of scale of a cross section of agencies and government departments and Irish industry. It will assist the Government's drive towards market diversification and assist in the development and expansion of Ireland's exports, tourism and inward investment from existing and new markets.

The initial Team Ireland Trade Mission Week will focus on one strategic geographic area in 2023, and will provide for a sustained, coherent and impactful engagement across different target sectors and regions. The success of the initial exercise will be reviewed by the Trade and Investment Council, which will determine the future direction of the initiative.

7. Reaping the Benefits of the EU Single Market

The European Single Market came into being in 1993, however the economic integration of EU Member States could be deepened further and especially in the single market in services. The Trade and Investment Council will identify visible and invisible barriers to trade, that are hindering or limiting the success of the single market for Irish business which the Council can escalate to the EU's Single Market Enforcement Taskforce and be addressed by the Minister at the Competitiveness Council (Internal Market).

The implementation of this Strategy and action plan will enable Ireland to realise its trade and investment goals, increase exports sustainably, deepen and extend our trade relationships, grow quality employment and reinforce our economy.



Introduction – Ireland as a Trading Economy



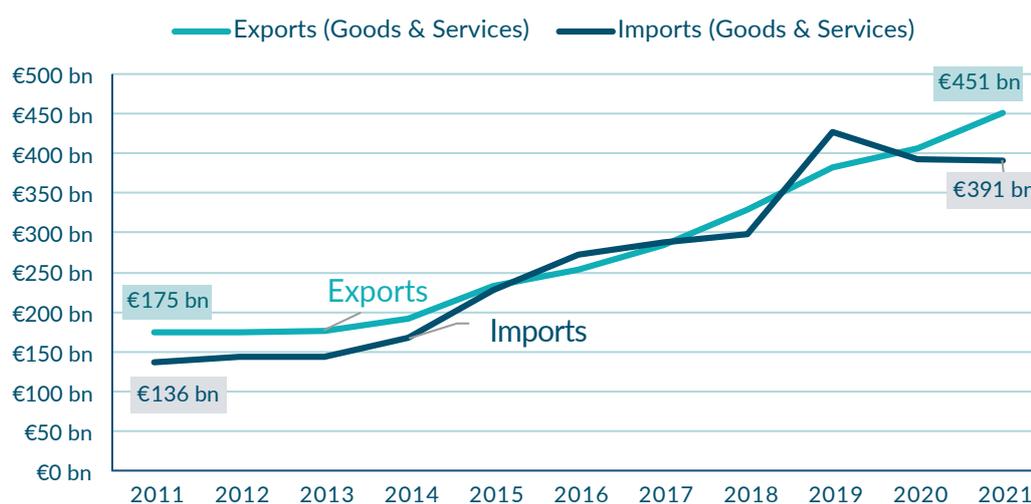
1. Introduction – Ireland as a Trading Economy

International trade and investment are of huge importance to the Irish economy. As a small open economy, we look to trade and investment to maintain and create jobs across all regions and to generate the resources necessary to invest in Ireland’s social and economic infrastructure.

- Value of Ireland’s Exports in 2021 €451 billion
- Value of Ireland’s Imports in 2021 €391 billion

Ireland, as a small open economy, relies on trade as a principal source of economic growth and improvement in living standards. Given our small domestic market of some five million people, the SMEs, small corporates, and PLCs, that make up our indigenous enterprise base, must look to international markets early in their development, to find new customers for their products and services. Our openness to trade has also seen foreign direct investment (FDI) make a large contribution to Ireland’s economic development and to the modernisation of our economy. This openness to trade and investment has allowed for a diversification of the economy into sectors that have made it more resilient to both internal and external shocks. Ireland’s high levels of trade and investment have been facilitated and deepened by our membership of the European Union and the Single Market. A European Commission report, *Trade and Jobs Report November 12, 2021*, highlights that international trade and investment supports 1.3 million jobs in Ireland, with 67% of these jobs in the services sector. The report also highlights that Irish trade and investment supports 5.3 million jobs globally.

Ireland’s Trade Performance 2011-2021

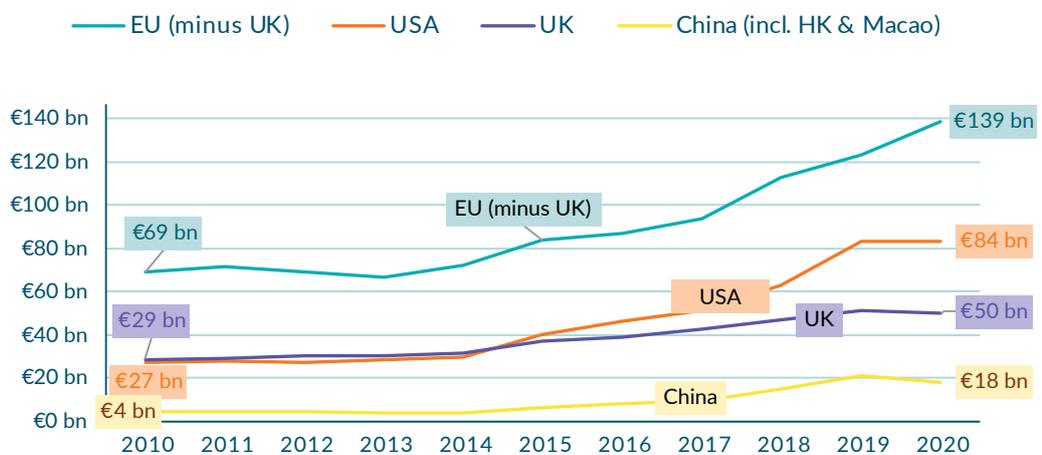


Ireland’s openness to trade, investment, people and ideas is a key national strength that has helped transform our economy and society, creating high value employment opportunities across all regions of Ireland. In 2021, the value of exports reached a record level of €451 billion – an 11% increase on 2020. Imports in 2021 were valued at €391 billion, down 0.5% from 2020, reflecting an impact from the COVID-19 pandemic and Brexit on trade flows. As a trading nation, our exports and imports play

critical roles in global value chains, and are integral to economic wellbeing, high living standards and sustainable development, not only in Ireland but across the globe.

In the 10 years from 2011 to 2021, the total value of Ireland's trade (goods and services) increased by 171% from €311 billion to €842 billion.

Ireland's Exports (Goods & Services) to principal destinations



The chart above shows the principal destinations for exports from Ireland and the growth in the value of these exports between **2010-2020**. The EU is the main destination for exports from Ireland and the value of exports from Ireland to the EU doubled to €139 billion between 2010 and 2020.

In 2010, Ireland's exports to the UK exceeded those to the US by €2 billion. Since then, however, exports to the US have grown at a faster pace and in 2020 exports to the US, at €84 billion, exceeded the UK value by €34 billion.

Ireland has successfully attracted companies at the forefront of the global economy. Employment in almost 1,700 IDA-assisted multinational client companies is at a record 275,384 people, reflecting the remarkable resilience and continued attractiveness of Ireland as a destination for inward investment.

IDA's 2021-24 strategy, *Driving Recovery and Sustainable Growth*, maintaining the focus of winning additional investment from discrete sectors aligned to growth opportunities and Ireland's strengths in the following sectors:

- Technology;
- Content, Consumer and Business Services;
- International Financial Services;
- Biopharmaceuticals & Food;
- Medical Technologies; and
- Engineering & Industrial Technologies.

Over the life of the strategy, IDA is targeting 800 new investments and an additional 50,000 jobs, half of which are to be delivered to the regions.

Buoyant growth among Ireland's multinational companies, particularly in the Life Sciences and Technology sectors, has provided vital assistance to the labour market, public finances, and the wider economy during the pandemic. The FDI base in Ireland accounts for 72% of all Irish exports in monetary terms. Total spend by IDA clients in the domestic Irish economy was €27.9 billion in 2020 (+8.8% on 2019) with IDA targeting a 20% increase in client expenditure by 2024 to maximise the impact of FDI in Ireland.

Enterprise Ireland clients exported €25.48 billion of goods and services in 2020, and employed 207,894 people at the end of 2021. Enterprise Ireland's mission, "to accelerate the export growth and diversification of Irish enterprise" set the following key strategic targets in its new three-year strategy, *Leading In A Changing World*:

- 45,000 new jobs created by 2024, two-thirds of which will be in the regions and,
- €30 billion in exports by 2024, 70% of which will be outside of the UK.

Expanding the number of exporters in Ireland and embracing digital as a central export growth enabler for Irish enterprise is critical in this regard and a key objective of the strategy. Both Enterprise Ireland and IDA will work together to enable the broader enterprise base to capitalise on FDI spill-overs and encourage greater collaboration between multinationals and indigenous SMEs.

Údarás na Gaeltachta, the regional authority responsible for the Gaeltacht regions, set out in their strategy the vision for the Gaeltacht as a creative, innovative and viable region. Its objective is to foster the resilience of Gaeltacht communities by promoting employment and the economy of the Gaeltacht regions of Ireland. It works closely with Enterprise Ireland and IDA Ireland to deliver on its mandate and to support companies in the Gaeltacht regions.



Agri-food is an important indigenous industry for rural Ireland with over 194,400 people employed in the sector. Over 90% of the food produced here is exported to over 180 markets worldwide with exports of food and drink reaching €13 billion in 2020.

Food Vision 2030, the ten year strategy for the growth of the agri-food sector developed by the sector's stakeholders provides an ambitious and clear roadmap for the sustainable development of the Irish agri-food sector by adopting an integrated food systems approach to producing safe, nutritious, and high-value food, while protecting and enhancing our natural and cultural resources and contributing to vibrant rural and coastal communities and the national economy with an aim to increase the value of exports to €21 billion by 2030.

Pre-pandemic, tourism and the arts were valued at €9.5 billion to the Irish economy: these sectors are an important employer and generator of foreign earnings to the economy in Ireland, quite apart from the intrinsic and societal values of these sectors and their contribution to communicating Ireland's values and culture to the wider world.

Other indigenous sectors, such as design and crafts, also aim to enter export markets. There are some 105,000 people employed across the craft and design economy (craft, design-intensive and design in other sectors). Between 2012 and 2019, the number of enterprises engaged in design-intensive and craft activities rose 6.6% to over 18,000.

International financial services has been an important pillar of Ireland's industrial strategy since the establishment of the International Financial Services Centre (IFSC) in the 1980s, and Ireland has a strong reputation in funds administration and in payments in particular. The industry in Ireland has become broader and more diverse with more firms carrying out a greater range of regulated activities than at any time in the past. The nature, scale and complexity of Ireland's international financial services sector will continue to change in a number of ways in future years.

Research & Innovation, higher and further education play a fundamental role in Ireland's trade and investment agenda and will be at the core of this strategy. To that end, for Ireland to remain a dynamic and innovative trading nation, open to new ideas and a generator of new intellectual property, focus on Research & Innovation cooperation and a science-led approach with our third level education sector to enterprise and trade policy will be critical.

The development of this new strategy is set against the backdrop of the major economic disruption from the COVID-19 pandemic on the global economy, the departure of the UK from the European Union and the Single Market, growing protectionist tendencies in key markets, global tax developments and geopolitical and trade tensions. It remains to be seen if, and to what extent, supply chain and transportation disruptions at a global level that first emerged during the COVID-19 pandemic will lead to an adjustment of global value chains in key sectors within national and regional boundaries.

At the same time, we must deal with pressing issues which impact on global trade, such as climate change and the requirements on Government, business and society to meet our carbon reduction commitments, as well as technological transformation and the digitalisation of the economy.

Policy Context to the Trade and Investment Strategy



2. Policy Context to the Trade and Investment Strategy

The overarching goal of our Trade and Investment Strategy is to see Ireland grow sustainably, diversify our export markets, and provide for continued prosperity and higher living standards.

As committed to in the Government's *Economic Recovery Plan*, as well as the Programme for Government, *Our Shared Future*, this Trade and Investment Strategy is focussed on advancing Ireland's trade and investment goals, working through the various state agencies and in collaboration with our stakeholders.

The overarching goal of our trade policy is to see Ireland grow sustainably and diversify our export markets, assisted by the EU's trade policy and our growing network of Free Trade Agreements, and to address concentration risk in our FDI base. We will work to realise the full benefits of our EU single market and we will pursue a values-based approach to trade and investment underpinned by our commitment to multilateralism and working with our EU partners in the World Trade Organization (WTO), to project and promote the highest labour and environmental standards. EU membership is, and will remain, fundamental to Ireland's well-being, security, and prosperity and to our place in the world.

This new strategy is set in the context of a number of complementary and mutually-reinforcing Government initiatives. Launched in 2018, *Global Ireland 2025* is a multi-year strategy to double the scope and impact of Ireland's global footprint by 2025. It reflects the Government's determination to ensure that Ireland can effectively advance our strategic interests on the international stage in a fast-changing world. While Europe, North America and the western world more generally continue to enjoy prosperity and global influence, the rise in prominence of countries in the East and South is transforming international relations and the global economy. As the pandemic and geopolitical developments have highlighted, developments elsewhere in the world can quickly impact on Ireland and the Irish economy.

Global Ireland 2025 represents the most ambitious renewal and expansion of Ireland's international presence ever undertaken in terms of diplomacy, culture, business, official development assistance, tourism and trade. This approach is outlined in a number of whole of Government Global Ireland country and regional strategies.

Global Ireland 2025 promotes efforts to grow and diversify export markets, inward investment, and tourism. It ensures that Ireland is well positioned to build the relationships with key and new partners necessary to advance our interests, promote our values and defend our positions both within the EU and globally. It enhances and strengthens Team Ireland abroad and our Local Market Teams, where Embassies work in partnership with State Agency offices in markets around the world. A review of *Global Ireland 2025* will be undertaken in 2022, and actions under the Trade and Investment Strategy will help inform that review.

The 2020 *Shared Island* initiative significantly develops the Government's objectives for strategic cooperation and investment for mutual benefit on the island of Ireland, assisted by the Shared Island Fund. Implementation of commitments under the initiative will enhance our economic infrastructure. For example, the Government is working to better harness all-island research and innovation capacities,

including through the commitment to develop new all-island research centres working with Northern Ireland and UK partners, to conduct world-leading research and innovation, enhancing the indigenous enterprise base and FDI prospectus across the island. The Government will also promote and facilitate enterprise development on a cross-border basis, including to enhance clustering, innovation and diffusion. We will continue to assist in the work of InterTradeIreland to help small businesses across the island grow and explore new cross-border markets, develop new products, processes and services and become investor ready. We will work with the Executive and UK Government and with the higher and further education and research & innovation sectors to realise the huge potential of cross-border collaboration in supporting world-class, inclusive, innovative universities and colleges that serve and contribute to society across the island and beyond.

On 1 June 2021, the Government published the **Economic Recovery Plan** to help people return to work and assist sectors which have been disproportionately affected by the pandemic. The **Economic Recovery Plan** underpins a jobs-led recovery through increasingly targeted schemes for businesses and workers most severely impacted by the pandemic; by helping people get back into work, training, or education; and by investing in job-rich infrastructure projects that provide for long-term capacity. Policies to encourage green employment and economic growth will complement those to reduce inequality, and promote sustainability, inclusivity, and good living standards. Advancing the green transition is a central priority of the Plan, alongside digital reform and our social and economic recovery.

The **Economic Recovery Plan** includes a number of objectives relating to inward investment based on the targets set out in IDA's 2021-24 strategy **Driving Recovery and Sustainable Growth**. In a changed world, IDA's strategy seeks to consolidate and build on the positive impact of FDI as Ireland pursues a jobs-led recovery, as envisaged in the Programme for Government, that seizes on the opportunities of the green and digital transition. The Agency will do so by partnering with client companies as in the past to create jobs, locate in the regions, and invest in Research and Development, while adding a new focus on investment in training and upskilling, and environmental sustainability.

Enterprise Ireland's Strategy 2022–2024, **Leading in a Changing World**, sets out how the agency will create an additional 45,000 jobs and work with companies to strengthen their capability to expand market reach, accelerate diversification, and deliver sustainable growth.

The **SME Taskforce's 2021 Growth Plan** also sets out a wide range of recommendations with long-term strategic relevance for SMEs and entrepreneurs, including measures to assist companies to start up, scale up, enhance their digital capabilities, and increase export activity. Intensive mentoring is required by the Local Enterprise Offices (LEOs) and the Design and Crafts Council of Ireland to help businesses transition from Micro to SME and potentially become exporting clients of Enterprise Ireland. Opportunities and challenges posed by climate change are also highlighted for SMEs, including the potential for clusters of businesses to make the transition to a carbon neutral economy together.

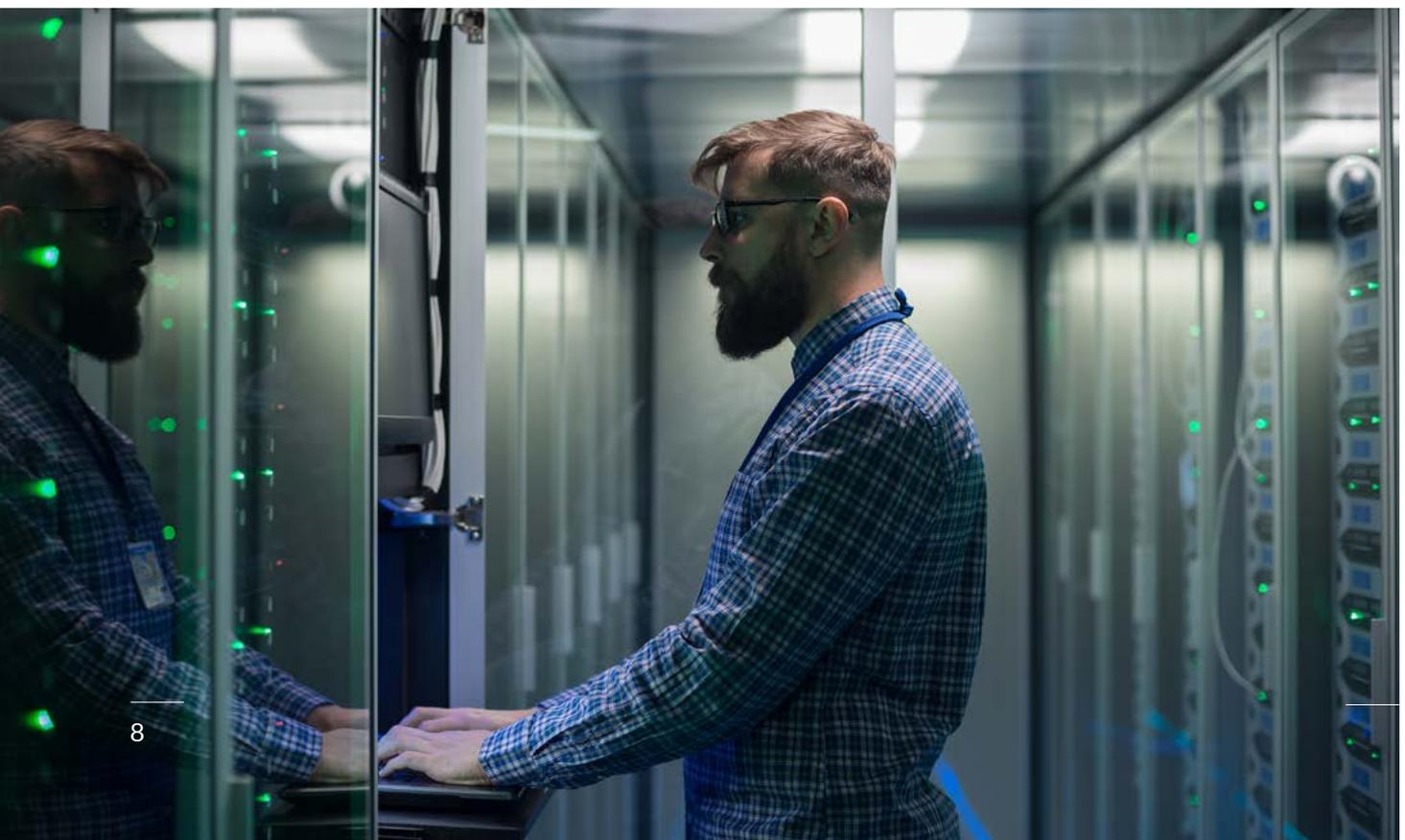
In October 2021 as part of **Project Ireland 2040** the revision of the **National Development Plan** was published setting out the Government's over-arching investment strategy and budget of €165 billion for the period 2021-2030, assisting also the realisation of the Government's **Housing for All Strategy**. It is an ambitious plan that balances the significant demand for public investment across all sectors and regions of Ireland with a major focus on improving the delivery of infrastructure projects to ensure speed of delivery, emissions reductions, jobs and value for money.

In November 2021, the *Climate Action Plan 2021* was launched by Government, providing a detailed strategy for taking decisive action to achieve a 51% reduction in overall greenhouse gas emissions by 2030 and setting Ireland on a path to reach net-zero emissions by no later than 2050, as committed to in the Programme for Government and set out in the Climate Act 2021. This commitment is consistent with the “Fit for 55” package of proposals from the European Commission to overhaul EU climate and energy legislation to align with the EU-wide emissions reduction target of at least 55% by 2030.

The *Climate Action Plan* lists the actions needed to deliver on Ireland’s climate targets and sets indicative ranges of emissions reductions for each sector of the economy; and these targets will become more specific in the context of the new carbon budgets. The Enterprise sector will be expected to reduce emissions by between 29% and 41% below 2018 levels by 2030, with a series of actions outlined for how this can be achieved across industry. The *Climate Action Plan* will be updated annually, including in 2022, to ensure alignment with the legally binding, economy-wide carbon budgets and sectoral ceilings, to be agreed in early 2022.

The *Climate Action Plan* will put Ireland on a more sustainable path; cut emissions; create a cleaner, greener economy and society; and protect Ireland from the devastating consequences of climate change. It outlines the significant opportunities for Ireland to create new jobs and grow businesses in areas like offshore wind; cutting-edge agriculture; and retrofitting.

Harnessing Digital - the Digital Ireland Framework was launched by Government in February 2022. This new national digital strategy provides a high-level framework to reinforce Ireland’s ambition to be a digital leader, at the heart of European and global digital developments. Leveraging Ireland’s strengths and unique eco-system, it sets out a pathway to advance the digital transition right across our economy and society, to maximise the well-being of our citizens, the efficiency of public services, the productivity and innovation of our enterprises, as well as our overall competitiveness.



A values-based Trade and Investment Policy



3. A values-based Trade and Investment Policy

Trade policy plays an important role in promoting and protecting Ireland's values and standards. Promoting human rights, safeguarding the environment, action on climate, social and labour rights, sustainable development and gender equality, have become an integral part of Ireland's and Europe's commitment to a more sustainable and responsible trade policy.

Open and free trade is a powerful driver of prosperity, well-being and improved living standards around the world. Ireland's openness to trade, investment, people and ideas is a key national strength that has helped transform our economy and society. It is a source of resilience that has allowed our small and adaptable economy to realise opportunities that are only available through international trade and multilateralism. Companies engaged in these activities make a crucial contribution to employment, the public finances, regional development, global value chain integration, innovation, and national prosperity.

Trade policy also plays an important role in promoting and protecting Ireland's and the EU's values and standards, both at home and abroad. Speaking with one voice to represent a market of 450 million consumers, trade policy is an important vehicle for Irish and European leadership on the global stage. Trade policy is today operating in an increasingly challenging environment. Trade is increasingly exposed to the volatility of international relations. Tensions among the major global economies, a rise of unilateralism and economic nationalism, stronger involvement of the state in the economy, the 'weaponisation' of trade policy for economic or geopolitical objectives—all of these factors have led to a weakening of global governance structures generally, and of the multilateral rules-based order. Ireland retains its strong commitment to open and inclusive trade, while promoting our values in relation to human rights, environment and climate, social and labour rights, sustainable development and gender equality have become an integral part of Ireland's commitment to a more sustainable and responsible trade policy.

Across European society, alongside the economic benefits of globalisation and technological change, concerns have arisen that these benefits must be shared in an equitable manner, across geographies, economic sectors, and society at large. Furthermore, Irish and EU citizens are increasingly calling for all areas of economic and social policy to be mobilised to assist the over-arching, and urgent, agenda of tackling climate change and environmental degradation. Companies are responding to the demands of their shareholders, staff, customers, and civil society and are placing an increased focus on environmental, social and governance (ESG) factors in their operations. Trade policy can also enhance international ESG standards in Ireland, EU and in partner countries, as well as ensuring that our national and European values and standards are advanced.

As part of this, to ensure compliance with UN and EU obligations and to protect Ireland's reputation internationally, our trade policy will continue to promote the application of UN and EU trade sanctions and EU Export Controls. Our domestic legal framework for export control is being updated in close alignment with our EU and global partners, so that this tool can play an ever-more-important and meaningful role in maintaining international peace and security, safeguarding democracy, the rule of law, human rights and international law, and combatting terrorism. Ireland is also legislating to introduce an investment screening mechanism for the first time. The implementation of such a mechanism will help to protect Ireland from potentially hostile third country investors, and will also

underline Ireland's high reputation among our key trading partners as a responsible global player, cognisant of the risks posed by certain types of investments. The development of an investment screening mechanism sits comfortably as part of the European Union's and Ireland's broader trade defence toolkit.

Trade and Sustainable Development

Ireland promotes the positive contribution that trade and investment can make to sustainable development. The EU's network of bilateral Free Trade Agreements (FTAs) provides a key platform for Ireland and the EU to engage with our partners on sustainability issues such as climate change, biodiversity, the circular economy, pollution, clean energy technologies, the transition to sustainable food systems and green procurement.

Modern comprehensive EU trade agreements typically include dedicated Trade and Sustainable Development chapters with commitments to effectively implement multilateral agreements and international standards, including the *United Nations Framework Convention on Climate Change*, the *Paris Agreement*, the *Universal Declaration on Human Rights*, *International Labour Organisation Conventions* and international standards on responsible business conduct, including the *OECD Guidelines for Multinational Enterprises*.

Such commitments can be seen for example in the Trade and Sustainability Chapters in recent agreements with Canada, Japan, the UK, Vietnam and Singapore. Furthermore, the European Commission's recently appointed Chief Trade Enforcement Officer has a significant role in ensuring that EU Trade Partners are living up to their FTA commitments, including with regard to sustainable development.



The Government welcomed the emphasis on sustainability in the European Commission publication “**Trade Policy Review - An Open, Sustainable and Assertive Trade Policy**” in February 2021, which stated:

“the Commission’s resolve for the next decade is to ensure that trade tools accompany and assist a global transition towards a climate neutral economy, including accelerating investments in clean energy, and promote value chains that are circular, responsible and sustainable. This includes promoting responsible business conduct and the respect of environmental, human rights and labour standards. At the same time, it means creating the conditions and opportunities for sustainable products and services. Making this vision a reality will require action at all levels – multilaterally, bilaterally and autonomously”.

Ireland promotes these objectives. In parallel, we are mindful that sustainable development issues also require significant international cooperation in fora such as the United Nations Human Rights Council, the International Labour Organisation and the United Nations Climate Change Conference.

We also need to be cognisant that trade partners are at different stages of development with regard to their capacity and resources to deliver on the sustainability agenda; and that assistance for capacity-building in these areas will need a focus of effort and resources in the context of Ireland’s Overseas Development Assistance.

Trade and investment policy should work to promote and complement national and global decarbonisation and sustainable development. The potential for trade and investment to generate jobs and growth, create knowledge spill-overs, diffuse technologies and enable specialisation remains critical for Ireland’s open, export-oriented economy and promotes sustainability at the same time. An integrated policy approach is therefore needed which harnesses the positive contribution that trade can make to sustainability, while continuing to provide enhanced opportunities for trade with our key global partners. We will work with our EU and international partners and build and strengthen alliances to shape emerging policies, regulation and international agreements that impact Ireland’s economic and business environment and the competitiveness of key sectors.

On 15 December 2021, the Tánaiste welcomed the WTO Ministerial Statements pledging to intensify WTO work on initiatives to achieve environmental and climate goals and promote more sustainable production and consumption. These Statements, backed by Ireland, are an important signal from the WTO that International Trade has a critical role to play in slowing climate change. Countries will work together to promote and facilitate trade in environmental goods and services, sharing experiences of effective approaches to move towards a more circular, resource efficient and environmentally sustainable plastics trade, and the development of concrete options to phase-out fossil fuel subsidies that encourage wasteful consumption. Ireland will work to actively progress this agenda over the next year in collaboration with our WTO partners.

Key themes underpinning the new Trade and Investment Strategy



4. Key themes underpinning the new Trade and Investment Strategy

Leading in a changing world and accelerating the development of world-class Irish companies to achieve strategic positions in global markets.

The short-term and long-term disruption to the Irish and global economy due to COVID-19

Over the last two years, the global economy has been responding to the impact of COVID-19 on the international economy. As Ireland moves into the recovery phase, the economy will not return to its pre-pandemic state. Restoring international connectivity is an important step to realise our trade and investment ambitions. While the precise contours of the 'new normal' are not yet fixed, there may be permanent changes in the labour market as well as structural shifts in certain sectors and a potential mis-match between the skills-sets of workers and the needs of firms, at least in the short-term, as businesses adapt and new opportunities begin to emerge.

The departure of the UK from the European Union and Single Market

The Government continues to closely monitor the impact that Brexit and COVID-19 are having on imports from and exports to Great Britain and the EU. However, it is clear that the UK's departure from the European Union – in particular its departure from the Single Market and the Customs Union – has inevitably led to a significant structural shift in trading patterns and a reorientation of supply chains.

Since the end of the transition period, imports from the UK have fallen while, in contrast, Brexit has not had a significant impact on overall Irish exports to the UK, though some sectors have experienced substantial reductions. We have also seen a significant pick-up in trade between Ireland and Northern Ireland.

The full impact of Brexit will not be evident for some time, particularly on the export side where further Brexit disruption will potentially arise during 2022 as Irish exporters become subject to new UK customs and Sanitary and Phytosanitary (SPS) checks. On the other hand, Brexit presents opportunities in sectors such as financial services and international education.

The *EU-UK Trade and Cooperation Agreement (TCA)* provides for tariff-and quota-free goods trade between the EU and the UK, and sets out preferential arrangements in areas such as intellectual property and public procurement. It is underpinned by provisions ensuring a level playing field for our businesses and strong governance and dispute resolution arrangements, providing a solid framework for continued trade between Ireland and Great Britain.

The UK's departure from the EU has presented particular challenges for Northern Ireland, and the island of Ireland as a whole. The Protocol on Ireland/Northern Ireland, which is an integral part of the Withdrawal Agreement, is the agreed EU-UK solution to these challenges. The Protocol protects the Good Friday Agreement and all-island supply chains, vital for businesses North and South, as well as protecting the integrity of the EU Single Market. A strong vibrant economy in Northern Ireland will also further strengthen the all-island economy. The Protocol offers significant opportunities to businesses in Northern Ireland, whose goods have full and free access to both the EU Single Market and the rest of the UK's internal market.

The impact of technology changes to global business models

Technology is having a significant impact on the world of work as physical location is no longer a constraint, presenting both opportunities and threats to Ireland's business model. Work previously done in an office in Dublin can now be carried out by the same executive in Ballina, achieving the Government's policy for more balanced regional development- but equally this work might be done abroad in Barcelona. This reinforces the need to ensure that Ireland is an attractive place for people to live, without which we will struggle to remain an attractive place for businesses to invest and for workers with key skills to locate. FDI projects of the future may be less job-intensive, but with higher skill requirements. Technology and Artificial Intelligence present great opportunity and will create efficiencies but will replace some desk-bound jobs that involve data entry or repetitive tasks. Digital sales platforms offer global markets to small Irish companies, who in the past may not have had the opportunity to target a wide international market. Cyber security expertise and guidance is also being increasingly sought from state development agencies as micros and SMEs in particular seek to adapt to the reality that a bigger global online profile attracts risks as well as opportunities. Understanding these threats and opportunities will be important for the future development of the Irish trade and investment landscape.

International Tax reform

On October 8 2021, Ireland joined the OECD tax agreement. There are two pillars to the Agreement. Pillar One will see a reallocation of 25% of residual profits to the jurisdiction of the consumer. The scope is confined to multination groups with turnover in excess of €20 billion annually and residual profit greater than 10% of turnover. Pillar Two will see the adoption of a new global minimum effective tax rate of 15% applying to multinationals with global revenues in excess of €750 million. There will be no change to the 12.5% rate for businesses with revenues below €750 million. This will provide critical certainty for Government and industry and will provide long-term stability and certainty to business in the context of investment decisions.

Climate change and the requirements of Government, business, and societies to meet their carbon reduction commitments

Effective climate action and environmental sustainability will play a crucial part in the evolution of trade and investment policy, which will be vital in securing financing and public support regarding Ireland's current and future trade and investment agenda. Ireland has committed to reduce our carbon emissions by 51% by 2030 and to reach net zero by 2050 and the new *Climate Action Plan* will serve as the roadmap to achieve these ambitions. To achieve these targets in the short to medium term will entail costs for the enterprise and other sectors but it does present the opportunity for Ireland to position itself as a leader in green technologies and solutions, develop new products and services and create green jobs, provided we have in place the necessary competitive landscape for the green economy to develop. In this regard future Irish and EU trade policy development must continue to take into account the challenges facing various sectors of the economy.

The Trade and Investment Council and priority actions under the Trade and Investment Strategy



5. The Trade and Investment Council and priority actions under the Trade and Investment Strategy

Creating the system and environment to enable Irish enterprise to thrive in a changing world, create solutions to challenges, and continue to deliver growth.

To respond to the challenges and opportunities as set out in Section 4 above, and in line with the overall strategic approach of section 2 and 3, the Tánaiste established the Trade and Investment Council, which is underpinned by new governance structures to ensure there is a coherent and effective delivery of our national trade and investment policies.

The Council is chaired by the Tánaiste, with the Minister for Trade Promotion as vice-chair. The Government Members of the Council are:

- the Minister for Foreign Affairs;
- the Minister for Agriculture, Food and the Marine;
- the Minister for Transport;
- the Minister for Further and Higher Education, Research, Innovation and Science;
- the Minister for Tourism, Culture, Arts, Gaeltacht, Sport and Media; and
- the Minister of State with special responsibility for financial services.

Other members of the Council include the heads of relevant trade and investment promotion agencies, research funding agencies, representative and business organisations – Ibec, Chambers Ireland, AmCham, ISME and the Irish Exporters Association.

The Council met on November 9, 2021 and agreed to a number of high priority actions that will be key enablers for Ireland to realise our trade and investment ambitions.

Priority actions for Ireland's new Trade and Investment Strategy

1. Promote and enhance Ireland's Economic and Trade and Investment 'Ecosystem'

There is a broad ecosystem that impacts on the trade and investment agenda, including infrastructure (digital and physical), education and skills, the attraction of an expert workforce, international connectivity, environmental sustainability, housing and research & innovation. These issues – which are within our control – are central to Ireland's competitiveness, in terms of growing Irish-owned business, attracting FDI and maintaining a high standard of living. These ecosystem issues should not be considered in isolation, as together they will impact on Ireland's ability to remain competitive against our international peers and on international markets.

The pandemic has brought forward new opportunities and challenges to international trade, tourism and investment patterns. In turn, these may open new possibilities for Ireland. In the face of these changes, Ireland must have a clear vision of our ecosystem priorities in the years ahead.

Ireland requires a dynamic and innovative business environment that assists entrepreneurs and enhances employment and international opportunities. To achieve this, it will be important that we consider the levels of costs that businesses face in operating in Ireland, as this impacts on trade and investment flows.



The link between economic and societal development and good infrastructure that encourages trade and investment, requires recognition at community, regional and national level. The bigger economic picture and Ireland's collective economic wellbeing need greater prominence.

The delivery of key infrastructure, together with other critical social, environmental and economic infrastructure projects, requires attention if Ireland is to maintain its position as a leading location for foreign direct investment and for Irish exporters. These areas include the quality and availability of water and wastewater, electricity, renewable energy, communications, transport infrastructure, housing, the efficiency of the planning system, and the ability to deliver large complex capital projects.

Megatrends such as globalisation, digitalisation, and the transition to a zero-carbon economy will lead to changes in sectors and occupations, the phasing out of existing roles, and demands for new skills and competencies. As a trading nation, Ireland also needs to consider how existing language education and training systems and delivery mechanisms might be adapted to assist the enterprise base in its endeavours to scale and trade internationally.

The all-island economy provides a key growth dynamic for indigenous SMEs, as well as supply chain, clustering and talent pool opportunities, which should be fully harnessed for the economic benefit of both jurisdictions.

Taking the necessary steps to transition to carbon neutrality by 2050, Ireland's competitiveness and productivity performance must deliver for all parts of society. Moving to a carbon neutral society is likely to have a differential impact on different sectors and regions of the economy.

Businesses that would be profitable in a carbon neutral future may be unable to make the required transition without Government intervention, while other businesses (that are currently profitable) may not be viable when the necessary actions needed to address climate change have been put in place. There is also the potential to reduce business operating and input costs when engaging in more circular and efficient practices. Businesses and sectors will also face competitive pressures to adopt more environmentally-friendly production processes to remain relevant and adapt to changing consumer tastes. Understanding how this will impact on Ireland's ability to grow exports, win sustainable investment and remain competitive on international markets will be critical.

The Department of Enterprise, Trade and Employment will work with the National Competitiveness and Productivity Council to consider these broader ecosystem issues where they impact on Ireland's

trade and investment performance; and these matters will be brought forward for discussion and direction by the Trade and Investment Council. To strengthen our domestic ecosystem, we will continue to work with our EU and international partners and build and strengthen alliances to shape emerging policies, regulation and international agreements that impact Ireland's economic and business environment, and our competitiveness.

2. Review and refresh the Local Market Teams

Ireland's network of embassies, consulates and State Agency offices abroad make a central contribution to achieving the Government's trade and investment objectives, operating as Local Market Teams (LMTs) which are chaired by Ambassadors, to coordinate promotion efforts in key markets. The LMTs currently operate in many of the world's biggest economies, covering approximately 80% of the world's GDP and over 4 billion people. Teams are convened by Ireland's ambassadors and meet a number of times each year to coordinate activity in implementing annual market plans.

The Department of Foreign Affairs manages Ireland's network of 95 embassies and consulates on behalf of the Government, maintaining relations with 187 countries, and advancing our engagement as a member of the EU, at the UN and other international organisations. This network represents a whole-of Government platform for the promotion of Ireland's interests and values. In an increasing number of locations, Ireland's embassies and consulates are co-located with State Agencies under the Ireland House model.

The Department of Enterprise, Trade and Employment has officers at Counsellor and Trade Attaché level in Brussels, Geneva, London, Berlin, Washington DC, and Beijing. The focus of these posts varies according to the location, with some concentrated primarily on trade and assistance, while others are focused on representation of Ireland's interests in EU and international organisations. The Department's team are key members of the LMTs in their market and work closely with the Department's agencies to assist the Tánaiste and Minister of State for Trade Promotion to implement the programme of trade missions in pursuit of Ireland's trade and investment goals.

The Department of Finance manages Ireland's relationship with several International Financial Institutions (IFIs), which provides Ireland with a voice at important fora on global economic and international development issues and the Department also has officers at Counsellor and Attaché levels in a number of key international markets. The Department and Minister of State take a lead role in co-ordinating and delivering the whole-of-government strategy for the development of Ireland's international financial services sector, *Ireland for Finance*. A key element of the strategy is harnessing opportunities in digital and sustainable finance.

The Department of Agriculture, Food and the Marine provides for the development of Ireland's food, drinks, and horticulture sectors, which are vital sectors for economic growth and employment. The Department has officers at Counsellor and Trade Attaché level operating in key international markets, including the UK, the United States, China and the wider Asia-Pacific and the Middle East as well as servicing a number of key international economic and development fora, OECD, WTO, FAO and WFP to deliver on Ireland's agri-food trade and development priorities.



Bord Bia (The Irish Food Board) is responsible for the promotion, trade development and marketing of the Irish food, drink and horticulture industry around the world, enabling growth and sustainability of producers. Through its network of offices in priority international markets, across the UK, EU, Asia, Africa, Middle East and North America, Bord Bia pursues emerging opportunities, builds strategic partnerships and actively responds to significant market issues that affect industry.

Tourism Ireland is the North-South body with responsibility for marketing the island of Ireland overseas, providing for integrated, more effective promotion of the tourism sector on an all-island basis. Jointly funded by the Government of Ireland and the Northern Ireland Executive, it operates under the auspices of the North South Ministerial Council (NSMC) and has a global office network.

IDA Ireland works to attract foreign direct investment (FDI) into Ireland. IDA Ireland's main objective is to encourage investment into Ireland by foreign-owned companies.

IDA Ireland partners with existing clients to safeguard and enhance their mandates in Ireland, while also attracting the next generation of leading-edge MNCs. IDA success is measured by the impact on the Irish economy of FDI and IDA assisted companies across all regions of Ireland. IDA Ireland has a global footprint to attract FDI from a diverse range of markets right across the globe.

Enterprise Ireland works to assist Irish companies exporting to every corner of the world, helping them to start, scale, innovate and win export markets in an increasingly competitive environment. Enterprise Ireland has an extensive global footprint assisting Irish exporters into international markets and works closely with both the LEOs and the Design and Craft Council of Ireland to aid the craft sector grow exports.

Science Foundation Ireland, the national foundation for investment in scientific and engineering research, works internationally to enhance cooperation and collaboration, to promote investment in Ireland and to work with foundations and groups that fund research of strategic interest to Ireland. Science Foundation Ireland is aiming to re-establish its global footprint to facilitate and assist Irish third-level research to engage with global industry.

Culture Ireland promotes Irish arts worldwide. Culture Ireland creates and provides opportunities for Irish artists and companies to present and promote their work at strategic international festivals and venues. These activities are aided by a presence overseas in Irish embassies and consulates in North America and Europe.

In 2021, Screen Ireland established a presence in Los Angeles (LA). Strengthening the base in LA promotes the mission for employment and turnover growth in the audio-visual sector by providing for the building and managing of relationships with major US studios and content producers, communicating the opportunities available in Ireland, and identifying upcoming, portable productions that could locate in Ireland.

The Design and Crafts Council Ireland also has a programme of supplying DFA with assistance in regard to specialist bespoke Irish Craft for special events such as Dubai Expo.

Taking on board all of the global economic developments and changes since the Local Market Team concept was first introduced in 2010, it is now timely to review it, including in terms of reporting into the Trade and Investment Council, how they operate in market, and how it can be best enhanced by cooperation between relevant organisations in Ireland. The review of Local Market Teams will aim to ensure that we have dynamic, active, and interoperable teams in market, representing and highlighting the best of Ireland overseas. It will look at how best to respond to particular requirements and demands of the geographies where LMTs are located and develop more nuanced geography-specific actions. This review will be overseen by the Senior Officials Group to the Council.

The purpose of the review will be to identify new opportunities for collaboration within and between local market teams and Irish business at home and abroad, to identify and disseminate best practices from our global experience to date, and to publish a yearly summary of Local Market Team activity globally.

3. Positioning Ireland within Global Value Chains and Supply Chains

Ireland's success in attracting FDI and exporting to global markets is built upon agility and flexibility to respond to changing global circumstances. Over the years, we have successfully leveraged and adapted our strengths to take advantage of shifts in the global economy as new business models emerged and existing sectors evolved. FDI has deeply embedded Ireland in global value chains (GVCs), and in turn supported Irish companies to access GVCs, driving productivity and innovation growth. The current geopolitical environment, coupled with the impacts of COVID-19 and the twin green and digital transitions, has placed an increased focus on the future of global supply and value chains. In this context, it is therefore important to consider the associated risks and opportunities for Ireland.

To address increasing supply chain risks, including cybersecurity threats, natural disasters, escalating trade tensions, rising protectionism, changing climate patterns and policy uncertainties, now is the time to promote policy solutions that enable business to build more resilient supply chains. Especially as international supply chains are confronted with more frequent global and regional risks, Ireland as a small Island economy dependent on international trade for its prosperity, will need to be to the fore when it comes to identifying risks and opportunities to our supply chain environment.

The Establishment of an Expert Group on Global Value Chains and Supply Chains will be an important step to forward plan and position Ireland favourably in a rapidly changing environment. This expert group would build upon the work undertaken by Government during the pandemic on immediate operational risks to Ireland's supply chain ecosystem.

Ireland has a strong track record as a resilient location from which companies can access EU and global markets for their products and services. COVID-19 has heightened the focus on economic resilience and the supply chain risks associated with international production. However, throughout the pandemic, critical supply chains between Ireland and the rest of the world have remained open and uninterrupted. Ireland continues to advocate at an EU and global level for openness and a rules-based, multilateral trading system.

The Expert Group on Global Value Chains and Supply Chains to be established under this strategy will engage in strategic foresight relevant to Ireland's trade and investment business model, including identifying global supply chain opportunities and threats. It should take a comprehensive approach and examine the opportunities available from relevant EU policies and instruments in trade and industry which can be combined and used in a coherent manner. Themes such as economic nationalism, open strategic autonomy, 're-shoring' initiatives in the US and Europe all require further scrutiny in terms of the global integrated supply chain model that Ireland currently promotes and within which Irish exporters and multinationals in Ireland operate successfully.

4. Communicating Ireland's Interests as a Trading Nation

While openness to international trade and investment has been, in many ways, the backbone of Ireland's economic success and social development over recent years and decades, communication and media coverage of policy developments in this area is often tailored to a specialist and technical audience. This narrow focus can make it harder for stakeholders in business and civil society to engage with and to influence the direction of international trade policy, to which Ireland is a key contributor including through our membership of the EU and the WTO.

A communications campaign will therefore be developed to highlight the benefits of international trade and investment to a broader Irish domestic audience. The purpose of such a campaign would be to foster a deeper understanding of the important role that trade and investment plays in contributing to the wider economy in Ireland, not only through its direct impact on employment creation, but also indirectly through the tax revenues it provides for social, educational, health, public infrastructure programmes etc; and how it is intended that trade policy can be used as a vehicle to promote Ireland's and the EU's wider interests, including our values, principles and standards.

The communications campaign should also highlight the reciprocal benefits that trade can bring for trading partners around the world, whether through the dissemination of new knowledge and innovative business practices; acceleration of new digital and environmental advances; championing of gender equality and the rights of minorities and indigenous peoples; and ensuring that developing countries are full and active participants in global discussions that affect their economic, social and environmental interests. As outlined in section 3, the Trade and Sustainable Development chapters of the EU's Free Trade Agreements are designed to foreground these issues and ensure that they are central to a values-based trade and investment policy. The communications campaign should also foster an awareness and an engagement on the tensions that can potentially arise when trade

agreements are perceived as imbalanced or insensitive to issues of climate, gender equality and social justice; and should promote transparency on the degree to which Ireland's and the EU's values in these areas are being defended and promoted through our trade and investment policies.

This multi-faceted communications strategy will also be a key contributor to the other actions in the Trade and Investment Strategy; notably Action 5 (highlighting the value of EU Free Trade Agreements), Action 6 (joint messaging across the economic and trade spectrum as part of the concept of Team Ireland Trade Missions) and Action 7 (helping Irish companies to thrive by making the most of the EU Single Market).

The communications campaign will be undertaken as a Government of Ireland project.

5. Maximising Ireland's return from EU Free Trade Agreements

In addition to the global efforts delivered by Team Ireland, Ireland's commitment to trade liberalisation has been key to our success in growing our exports and attracting foreign investment. In an increasingly competitive environment, and with more protectionist trade policies among several international partners, our economic fortunes rely on an outward-looking dynamic EU. Ireland encourages the EU's ambition to negotiate Free Trade Agreements (FTAs), which open new markets for Irish companies and increase export and investment opportunities, which in turn promote prosperity, employment and sustainable development throughout the world. In the coming period, FTAs will allow Irish exporters to diversify into new markets, an essential component to our continued economic growth due to the size of our small domestic market.

The EU has the largest free trade agreement network in the world, with 41 trade agreements covering 72 countries worldwide and accounting for 39% of the EU's external trade. This growing network of trade agreements creates opportunities for workers across Europe and trade with countries outside the EU provides 36 million jobs in the Union. Foreign investment into the EU provides 16 million European jobs. It is estimated that international trade underpins some 1.3 million jobs directly and indirectly in Ireland, particularly in the agri-food, pharma, medical devices, med-tech, and financial services sectors.

The EU's FTA's can deliver real economic results for consumers, workers, and small companies without compromising on our core principles including human rights, sustainable development and climate action.

As a priority action under the Trade and Investment Strategy, we will promote the benefit to Irish exporters and importers of the wide network of EU FTA's already in place, including ensuring ease of access to Irish and EU information on how Irish companies can readily trade with partner countries. There is also an opportunity to capitalise on planned events in 2022 and 2023 to mark 50 years since Ireland's entry to the EU. The Department of Enterprise Trade and Employment, with the support of the Trade and Investment Council, will work with the European Commission on this campaign and build on the events held this year, led by the Minister of State for Trade Promotion.

6. Team Ireland - Trade Mission Week

Ministerial-led trade missions encourage the Government's drive towards market diversification. The organisation of the annual programme of ministerial trade missions is an integral part of the work

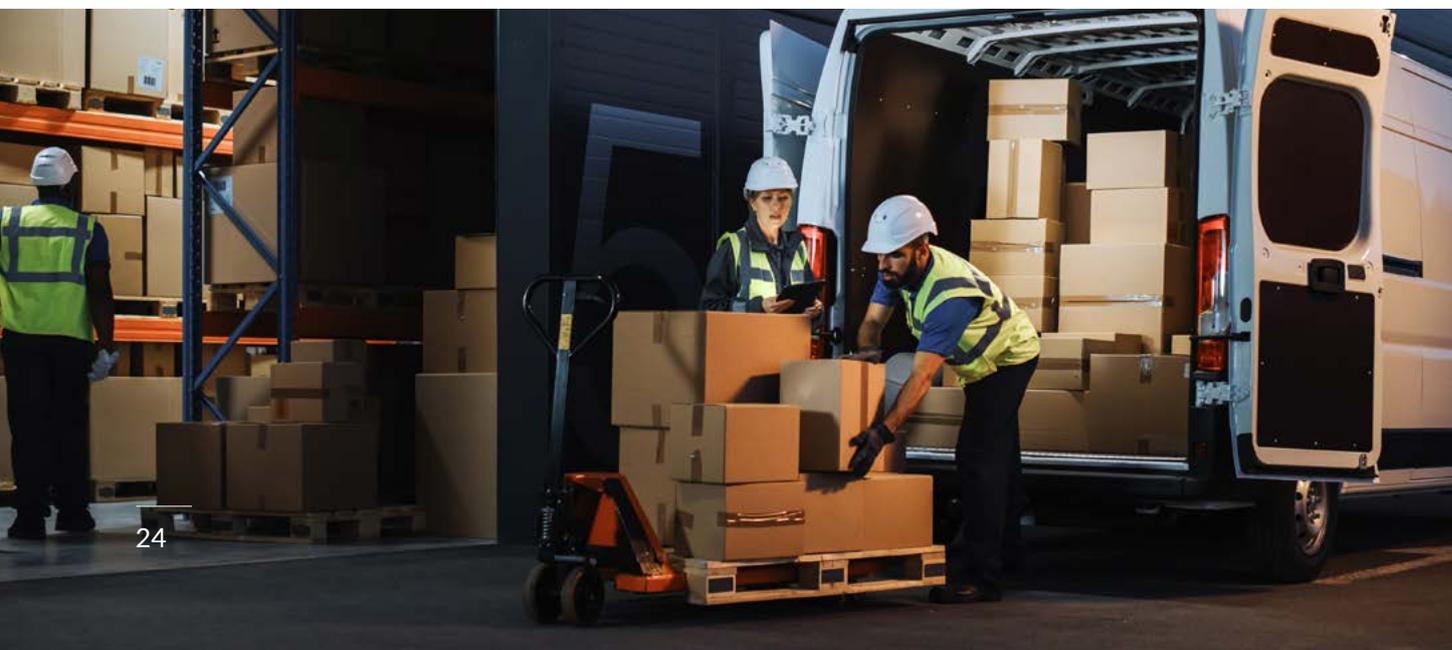
of Government and its enterprise, trade, tourism and science and innovation agencies, who work to develop and expand Ireland's exports, tourism and inward investment from existing and new markets. They also provide an opportunity to reaffirm bilateral relations and the broader context in which trade and investment takes place.

Trade missions are a Team Ireland effort: together with the Department of Foreign Affairs and Ireland's embassy and consulate network, our State agency network and our teams across Government work closely together and with business to ensure their success. In recent years, this approach has proven to be very successful in terms of establishing Ireland's credibility with, and gaining access to, the business community in the target markets at the appropriate level.

Trade missions raise Ireland's profile as a world-class supplier of goods and internationally tradeable services and contribute to the generation of incremental sales to foreign markets. They can provide comfort to investment decision-makers that Ireland is the right choice of location, and that Ireland can offer them the business environment to make their investment a success. There have also been successful all-island trade missions, and the scope for an all-island dimension and opportunities will continue to be taken account of.

Team Ireland Trade Mission Week is a once-a-year exercise that will take advantage of the expertise and economies of scale of a cross section of agencies and government departments and Irish industry, building on the annual programme of trade missions and visits, including engagement around St Patrick's Day. It will provide an opportunity to build on Ireland's reputation internationally, in a world where there has been severe economic disruption caused by COVID-19. Initially, the Team Ireland Trade Mission Week will focus in 2023 on one strategic geographic market and will provide a sustained and coherent approach across different target sectors and regions within that target market.

Using our collective strengths, a Team Ireland Trade Mission Week has the potential to make a significant impact in the target geographic market and raise Ireland's profile as a trading partner, as well as serving to promote and strengthen bilateral relations. It will highlight Ireland's trade, investment, science, food, culture and environmental credentials and cement our diplomatic relations with the key trading partner. It will also provide an opportunity for political engagement at the highest levels, and could culminate in a Heads of Government meeting, as well as facilitating bilateral meetings and networks among senior officials and business leaders. Local Market Teams will play a key role in



assisting in the coordination and implementation of the Trade Mission. The success of the initial 2023 exercise will be reviewed by the Trade and Investment Council, which will determine how the initiative should be carried forward into later years and across a broader range of geographies.

In addition to a physical Trade Mission, the Team Ireland approach also provides an opportunity to develop joint messaging across the economic and trade spectrum with key trade partners. This can be done through a number of communications channels specific to the requirements of each market, including the Government's digital platform, Ireland.ie to showcase the country as a great place in which to live, invest, trade, visit and study. We will promote an image of Ireland as progressive, sustainable and innovative, a versatile trading and investment partner, with a strong Research, Development and Innovation base and a skilled, agile and multicultural workforce.

7. Reaping the Benefits of the EU Single Market

More than 60 years have passed since the foundations of the European Union were laid. In comparison to that, the European Single Market is relatively young, having only come into being in 1993. When we reflect on its achievements over the past few decades, we see that the Single Market continues to be decisively shaped by trends like the rise in digital technologies and events like the establishment of the Euro.

The prosperity of the European Union today is, among other things, the outcome of the economic integration that followed the implementation of the European Single Market. In general, a well-functioning internal market increases economic efficiency, for example by lowering transaction costs, and boosting growth. It can help to shield countries from the repercussions of economic shocks through increased cross-border mobility. There is general agreement that the economic integration of EU Member States can be deepened further, which would allow market and trading processes to unfold their full potential within a single economic area.

The Single Market of over 400 million people has delivered enormous economic benefits for Ireland's economy. This has been a factor for agencies such as IDA Ireland in winning FDI investment that would otherwise have gone to countries with larger domestic markets. The Single Market has offered the opportunity to Irish exporters to gain access to one of the world's most sophisticated and wealthy free trade areas. Despite all these advantages, Irish indigenous exporters have traditionally gravitated to markets such as the UK and the US, which offer familiarity with language and culture. The Single Market is a cornerstone of Ireland's membership of the European Union and Eurozone. Its benefits require ongoing promotion to Irish exporters and importers. Moreover, the Single Market in services – a market with great potential for Irish exporters – requires improvement, as remaining barriers to trade mean that it lags behind the Single Market in goods.

Under the implementation plan for this strategy, the Trade and Investment Council will identify issues, such as visible and invisible barriers to trade, that are hindering or limiting the success of the Single Market for Irish business, particularly in services, which the Council can escalate to the EU's Single Market Enforcement Taskforce, and which can also be raised by the Minister at the Competitiveness Council (Internal Market).

Conclusion



6. Conclusion

Ireland's position as a small open economy means that it is essential for our economic prosperity that Irish enterprise fully avails of opportunities on global markets. The ever-increasing complexity of global markets and customer needs and the accelerating influence of the digital and sustainability transitions on trade and inward investment means that enterprise – regardless of sector – must evolve and keep pace with this change. Increasing the competitiveness of Irish enterprise and tourism through strengthening innovation and capability will underpin sustained growth in Ireland.

The ambition of this strategy reflects our assessment of the opportunities and challenges ahead and our recognition of the centrality of trade to a resilient and sustainable economic recovery. We will work collectively across government and state agencies to implement these priority actions, with the oversight and guidance of the Trade and Investment Council.

The successful delivery of Ireland's trade and investment ambitions will not be easy, nor is it guaranteed in such an uncertain landscape. It will depend upon the skill and knowledge and proven tenacity of Team Ireland around the world, on collaborative engagement with key stakeholders to maximise the impact of trade and investment for communities across the country, and the continued success of our enterprise base. Our support for the rules-based global economy and trade system, underpinned by strong and effective multilateral institutions and organisations will continue to be vital, as will Ireland's wider global engagement.

Trade and investment have transformed our economy and society over recent decades. Throughout the COVID-19 pandemic, Irish enterprise has provided resilience to the Irish economy and critical goods and services to the world. We will continue to enhance our enterprise base and work closely with all sectors, including exporters, foreign direct investment, tourism, science and culture. As we respond to the challenges of COVID-19, the climate crisis and technology acceleration, this collaboration across Government and the enterprise base to promote trade and investment will be our primary focus.

Summary of Priority Actions



Summary of Priority Actions

Trade and Investment Strategy – Priority Actions

Objective	Deliverable	Ownership/ responsibility	Timeline
1. Promote and enhance Ireland's Economic and Trade and Investment 'Ecosystem'	The Department of Enterprise, Trade and Employment will work with the National Competitiveness and Productivity Council to consider these broader ecosystem issues where they impact on Ireland's trade and investment performance; and these matters will be brought forward for discussion and direction by the Trade and Investment Council.	DETE, National Competitiveness and Productivity Council Secretariat Government Departments and State Agencies	Ongoing - First presentation at TIC meeting Q4 2022
2. Review and refresh the Local Market Teams	Establish review team and complete review of LMT's original purpose and terms of reference, experience to date and lessons learnt. Reporting to Trade and Investment Council	DETE, Government Departments and State Agencies	Q4 2022
3. Positioning Ireland within Global Value Chains and Supply Chains	Establish group to Identify key GVCs, Conduct mapping and risk assessment and Identify action responses, reporting to the Trade and Investment Council	DETE, Government Departments State Agencies	Q2 2022 (group established) 2023 - Report to TIC
4. Communicating Ireland's Interests as a Trading Nation	Multiyear and multidimensional communications, education and awareness strategy and campaign to communicate Ireland's benefits from trade, reciprocal benefits to our trading partners, and how trade can deliver our social, environmental, and climate goals	DETE, Government Information Services, Government Departments and State Agencies	Q2 2022: Comms strategy brought for approval to Trade and Investment Council Q4 2022: flagship communications event Ongoing: Campaign implemented and reviewed throughout life-time of strategy
5. Maximising Ireland's return from EU Free Trade Agreements	Host a high-level conference on the benefits of FTAs, targeted at a business audience, in particular Irish SMEs	DETE, State Agencies	Q4 2022
6. Team Ireland - Trade Mission Week	The review group established under action 2 will lead on planning for the first Trade Mission Week to be run on a pilot basis in 2023, subject to approval and review by Trade and Investment Council	Government Departments and State Agencies	Q2 2022: report to Trade and Investment Council on outline plan for the initial Trade Mission week Q3 2023: initial Trade Mission week Q4 2023: review of impact by Trade and Investment Council
7. Reaping the Benefits of the EU Single Market	The Department of Enterprise, Trade and Employment will regularly report to the TIC on challenges facing Irish businesses in the single market.	DETE, DFA and IGEU50	Q2 2022



Prepared by the Department of Enterprise,
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