

Single Market has benefited the Irish Economy

Opportunities exist to tap into full potential

The Minister for Enterprise, Trade and Employment, Mr. Micheál Martin, T.D., and the Minister for Trade and Commerce, Mr. John McGuinness, T.D., today (Thursday 14th February 2008) welcomed the publication by Forfás of a study of the impact of the European Single Market on Ireland, the first comprehensive look at the impact of the Single Market from an Irish perspective since its launch in the early 1990s.

The study identifies the extent to which Ireland has benefited from the Single Market, analyses where barriers remain to further integration, tests some of the assumptions about the Single Market against the experiences of Irish businesses and consumers and identifies what Ireland's priorities should be to ensure that businesses and consumers can exploit the EU Single Market to its full potential.

Key Findings - Business

- It confirms that the Single Market has been important both for the growth and diversification of Irish trade and for enhancing the attractiveness of Ireland for foreign direct investment.
- There are structural barriers that shape and impact on which countries we are likely to do business with e.g. distance, language, culture
- There are practical actions that can be taken to improve Ireland's trade within the Single Market including, encouraging cross border insurance provision, simplifying business loan procedures and promoting cross border sourcing of inputs to production.

Key Findings - Consumers

- It concludes that the Single Market has delivered real benefits for consumers, in terms of the range and quality of the goods and services available.
- It has made it easier for Irish consumers to purchase goods from other Member States.
- Irish consumers are continuing to pay higher prices than many of their EU counterparts for some essential goods and services.
- There is a lack of consumer confidence when it comes to cross border transactions.

Welcoming the report, Minister Martin said “it was a significant contribution to our understanding of how the Single Market had impacted on the Irish economy, including Irish consumers”. He anticipated that the study would be of interest to the European Commission and said that it was a “good example of how a Member State could influence thinking at a European level in ways that would bring practical benefits to Irish businesses and consumers”.

Minister McGuinness said that the study had got “beyond the high level issues such as the need for EU legislation and identified practical changes to the operation of the Single Market that would benefit Irish businesses and consumers”.

Dr Eoin Gahan, Forfás commented, “This report, through a combination of consultation and analysis provides a good picture of the positive impact the Single Market has had on Ireland and our economy. While there have been clear benefits for Irish businesses and consumers, the study reinforces the view emerging at EU Commission level that some obstacles to trade do persist, and that the Single Market can be enhanced by looking more closely at the practical application of EU measures on the ground.”

The Department of Enterprise, Trade and Employment and Forfás will make a presentation on the Forfás study to the Commission and the other Member States, at a meeting later this month of a Commission-chaired committee set up to improve the functioning of the Single Market on the ground in Member States.