



Rialtas na hÉireann
Government of Ireland

Delivering Value for Ireland

Trade and Investment Report 2023



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



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Minister's Foreword





I am pleased to present this report on Ireland's Trade and Investment performance for 2023. Trade is in many ways the bedrock of Ireland's economic performance. It is crucial that we sustain and deepen the trade relationships we already have while we seek to extend and diversify into new markets.

The buoyancy of both exports and imports is crucial in maintaining our status as a successful trading nation. It is our openness to trade that is a major factor in the continued attractiveness of Ireland as a place to invest and to grow business on European and global scale.

Our ability, as an integral part of the EU and an outward-facing Member State, to enter and keep international free trade agreements with other countries is a defining feature of our economic model. Almost half of our workforce is underpinned by international trade and investment. Ireland's trade in goods and services is worth more than €1 trillion in 2023.

The global trading environment continued to be challenging in 2023 amid increased geo-political tensions, and growing calls for the EU to move away from open trade and towards protectionism and industry subsidies. Ireland along with other like-minded Member States is looking to ensure the appropriate balance between a resilient European economy, with autonomy of action and decision-making, alongside openness for trade and a welcoming, attractive destination for investment.

Ireland's openness to trade, investment, people and ideas is a key national strength that has helped transform our economy and society to what it is today. While global tensions present challenges and complex policy issues must be navigated, I am confident that with government backing through our department and agencies, the future for Ireland's trading sectors outlook is very positive.

The purpose of this report is to outline how the Department is working with its officials overseas, across government and with its agencies, Enterprise Ireland and IDA Ireland to implement the Government's Trade & Investment Strategy, 2022-2026: Value for Ireland, Values for the World.

The report also showcases how closely my department works with the Department of Foreign Affairs, and other departments and agencies as 'Team Ireland', to deliver for our country. The success of the inaugural Team Ireland Trade Mission Week to South Korea in November 2023 is one shining example of this close and fruitful collaboration.

This report highlights not only our success in maintaining strong trade links with our partners in the EU Single Market and further afield, it recognises our exporting companies who demonstrate great innovation, energy, and resilience in expanding into new where they saw opportunity. It is this drive and ambition that we want to support now and into the future.

I hope this report provides a valuable insight into the ongoing work of the Department, our agencies and our Team Ireland partners in supporting international trade and investment, and the importance of that work for the continuation of economic growth and prosperity for every person in Ireland.

Peter Burke TD
Minister of Enterprise, Trade
and Employment

1

Trade and Investment Performance 2023



Introduction

The Department of Enterprise, Trade and Employment is responsible for advising on and implementing the Government's enterprise policies and creating an environment which facilitates both employment creation and sustainability. We are also charged with promoting fair competition in the marketplace, protecting consumers and safeguarding workers.

We will do this by:



Championing enterprise;



Ensuring a competitive business base to incentivise work, enterprise, innovation and investment;



Strengthening global connections and promoting trade;



Promoting fair and competitive markets, best business practice;



Safe, flexible and decent workplaces through the regulatory and enforcement work of the Department, its Offices and its Agencies;



Supporting efforts in sustainability and the green economy.

Our Trade and Investment Strategy 2022-2026: Value for Ireland, Values for the World charts the course for our global trade agenda, and the White Paper on Enterprise 2022-2030 sets out the priorities for Irish enterprise policy in the period to 2030.

Exports and imports have continued to rebound positively post-covid and have once again exceeded the €1 trillion total with a trade surplus of €65 billion in 2023. These figures reflect the strength of the Irish economy.

As a small open economy, the more we diversify our trade relationships, the stronger and more robust our supply chains will become enhancing our ability to withstand global challenges.

Ireland's economy is heavily dependent on international trade and this openness is a key strength that helps create employment opportunities throughout Ireland.

A major pillar of the Departments work is to ensure Ireland's interests are reflected to the maximum extent possible at EU, WTO and other forums. We will continue to encourage Irish businesses to take full advantage of the EU Single Market and fully utilise the network of EU Free Trade Agreements. The Department strives to increase the capacity of the economy by working with other Departments and Agencies, as we aim to maintain growth in exports to attract foreign direct investment across all cities and regions.

We achieve our goals and objectives by focusing on strategic activities and collaborative engagements to deliver the best outcomes for our stakeholders. These include:

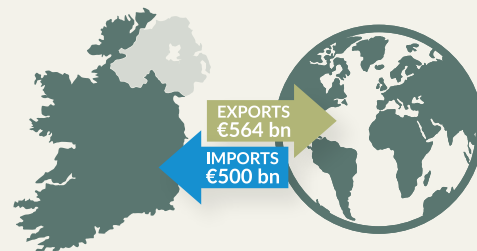
- Working with our EU and international partners to build and strengthen alliances to shape emerging policies, regulation and international agreements that impact Ireland's economic and business environment.
- Advocate for new and exploit existing EU Free Trade Agreements to expand Ireland's trade into new markets.
- Ensure that Ireland's position on all trade deals supports the transition to a sustainable global economy including the aims of the Paris Climate Agreement.
- Work across Government and with our EU partners to identify and remove barriers to trade, particularly in services, to secure a fully functioning EU Single Market for the benefit of our exporters, businesses and consumers.
- Advocate at EU level for policy and regulation that promotes an innovation-friendly digital economy.
- Work with our agencies, as part of Team Ireland, abroad to promote our exports and highlight Ireland's attractiveness for investment and innovation, to capitalise on global shifts in business models and emerging disruptive technologies and attract the next wave of technology and business activity.
- Assist enterprise to enter and benefit from international markets.
- Continue the vital work of the Trade and Investment Council.
- Progress Joint Economic Commissions.
- Continue the implementation of the Trade and Investment Strategy 2022 - 2026.
- Ensure rigorous enforcement of EU Export Controls and Trade Sanctions, in support of global security and human rights.
- Strengthen important supply chains on the island of Ireland to increase cross-border trade, and foster opportunities for collaboration in the context of a Shared Island.
- Work jointly with the European Commission and EU Member States to ensure that the WTO is at the heart of a global, rules-based, multilateral trading system, delivering on its negotiating, dispute settlement, trade capacity building and outreach remits.
- Lead on Ireland's engagement with the Council of Europe in relation to the European Social Charter and the International Labour Organization, coordinating their wide-ranging agendas across Government with a focus on employment and labour market standards.

International Trade

International trade and investment continue to be enormously important to the Irish economy. As a small open economy, Ireland relies on external demand and international markets for sustainable and continued growth, and to maintain and create jobs across all regions of the country.

Our 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 and our engagement with likeminded Member States are key in this regard.

Value of Ireland's International Trade in 2023

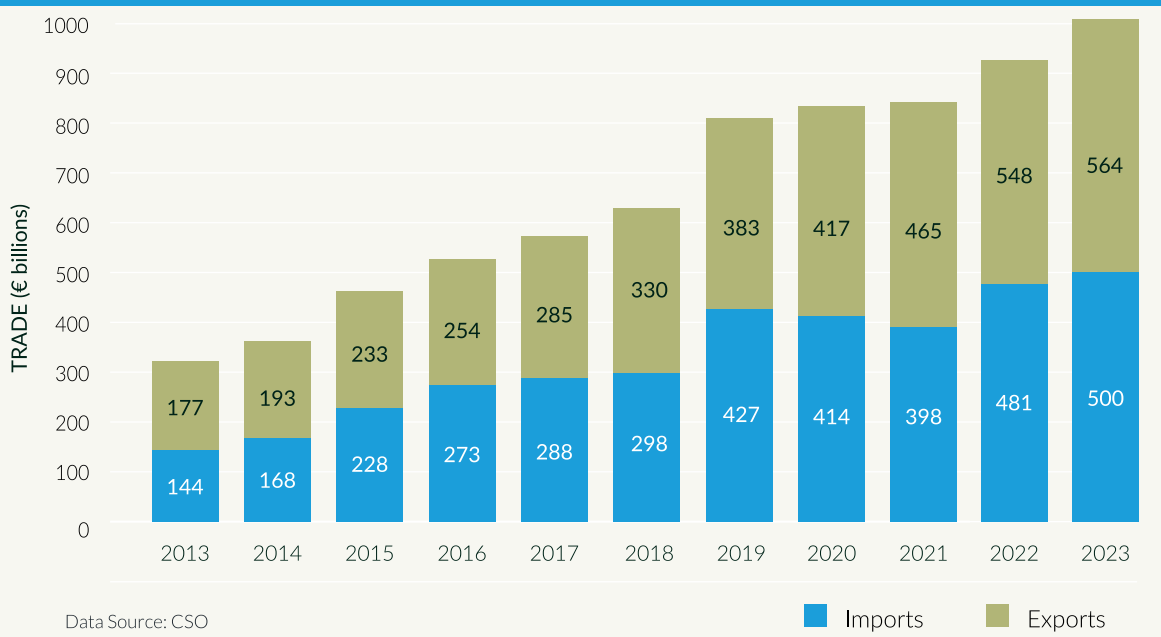


Ireland's global trade (goods and services) reached a value of over €1,000 billion for the second consecutive year.

Ireland's global trade (goods and services) reached new record levels of €564 billion and €500 billion respectively.

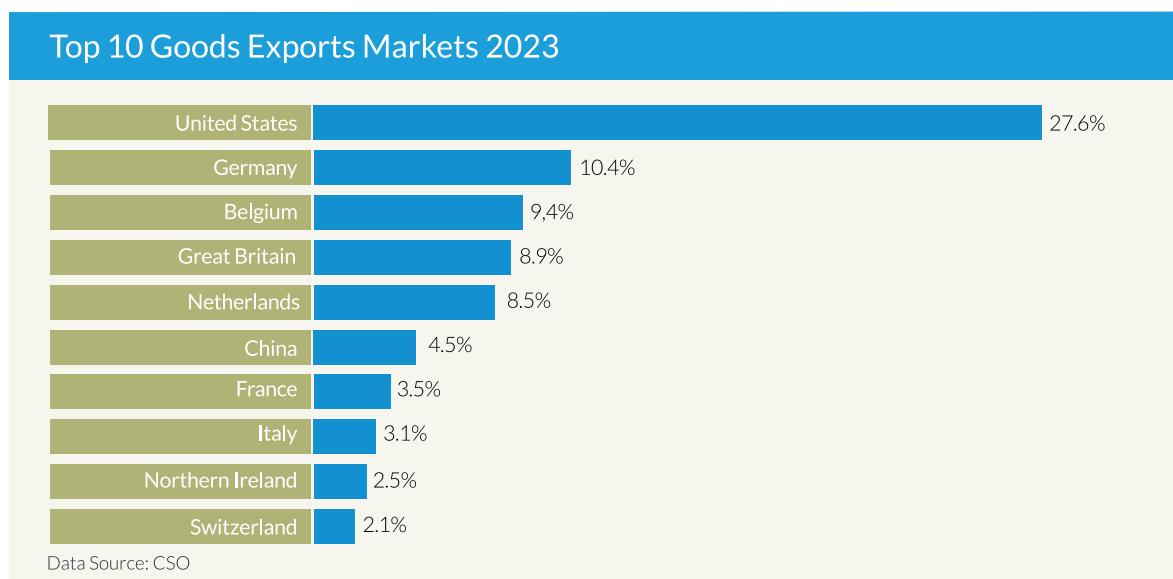
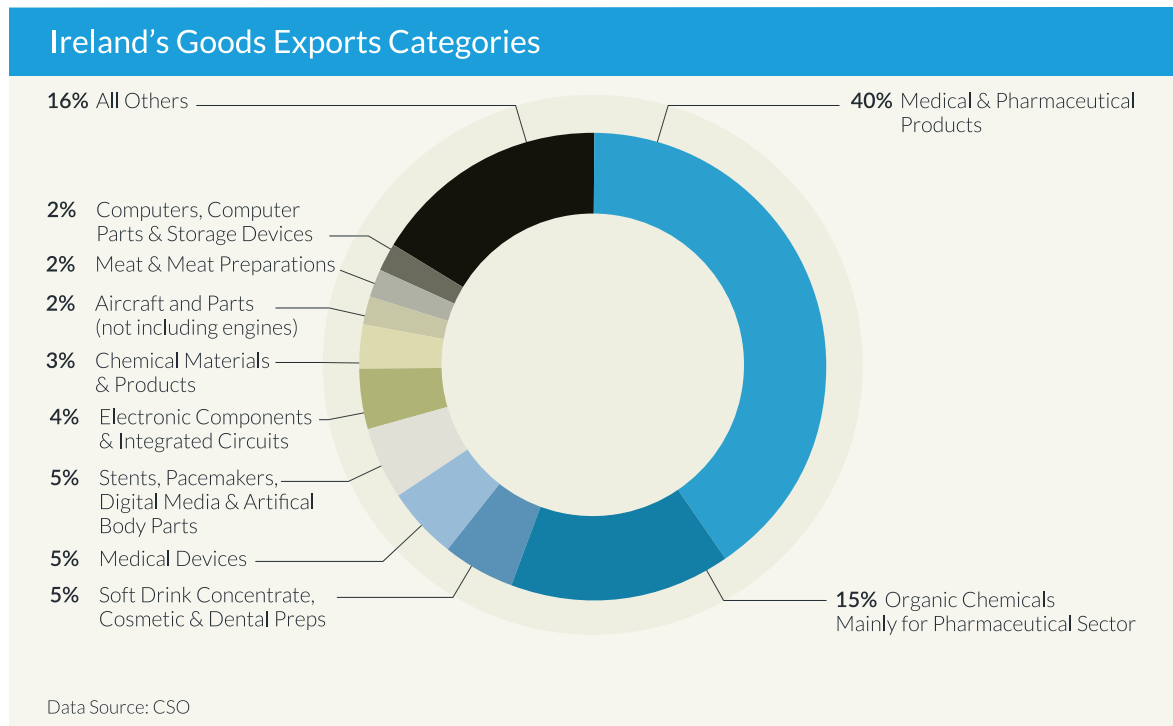
Exports increased by €16 billion (+3%) and Imports increased by €19 billion (+4%) compared to 2022.

Ireland's Trade Performance 2013-2023



Goods Exports

In 2023, the value of Goods Exports fell by €12 billion when compared to 2022 to €197 billion.



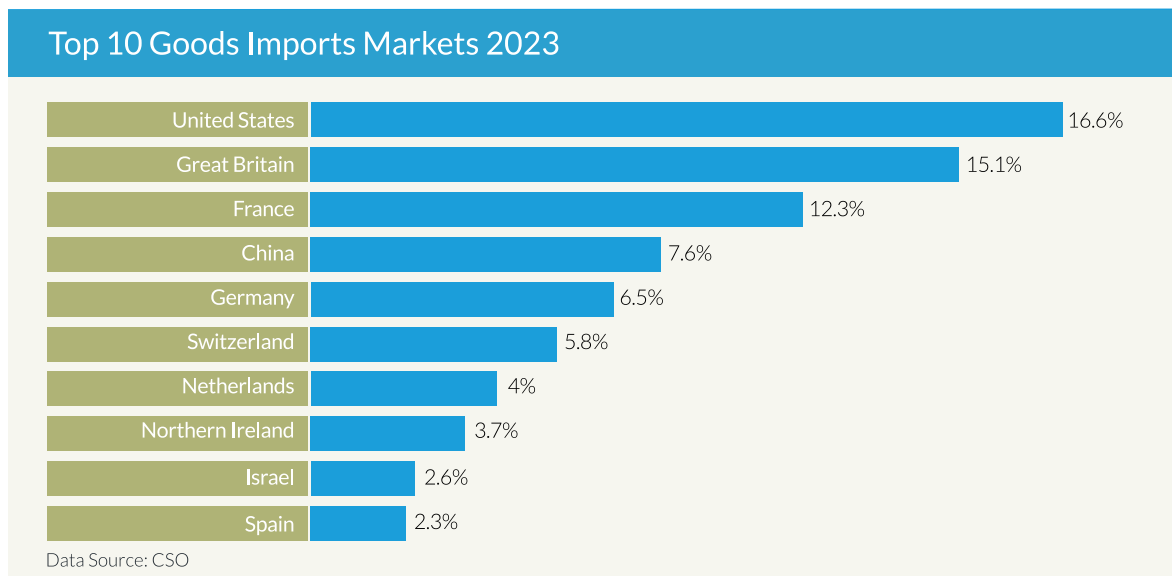
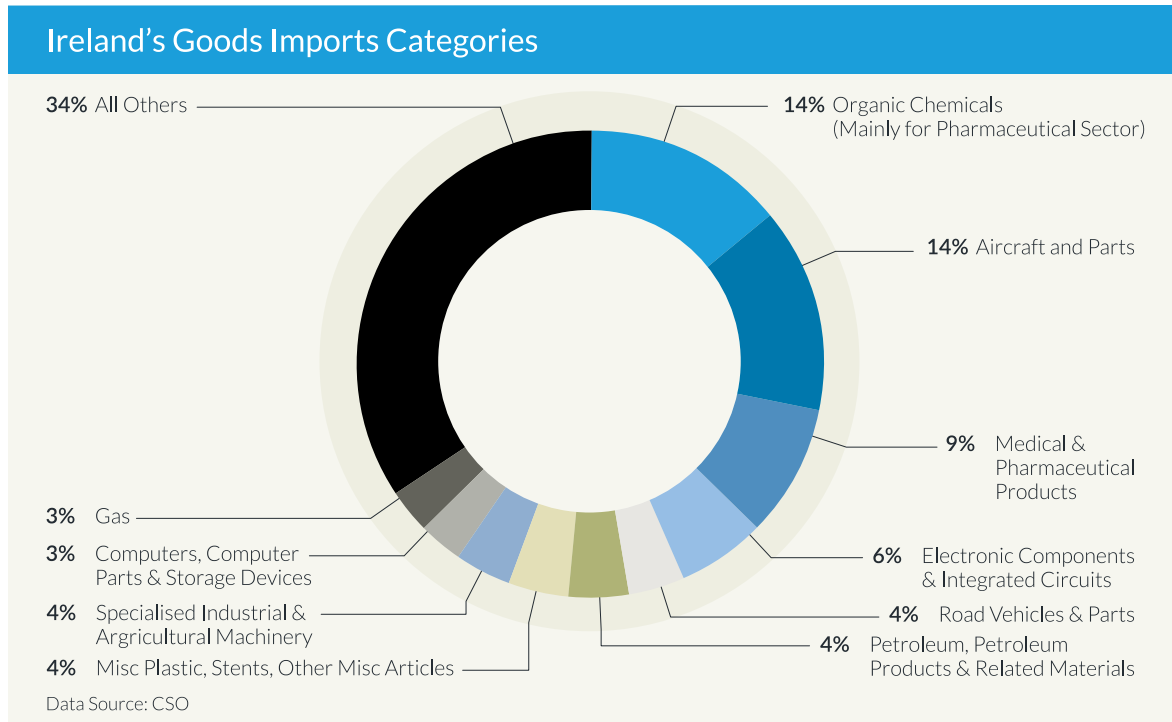
41% The EU was the destination for 41% (€81bn) of Ireland's goods exports.

28% The US was the largest single destination for 28% (€54bn) of total goods exports.

21% Of total goods exports in 2023 the UK accounted for 11% and Germany for 10%.

Goods Imports

Goods to the value of €140 billion were imported in 2023, which was €1 billion lower than in 2022.



34% 34% of goods imports were from the EU at €48 billion.

19% The single largest source of goods imports was the UK at €26 billion, 19% of total.

17% 17% of goods imports were from the US at €23 billion.

Ireland's Services Trade

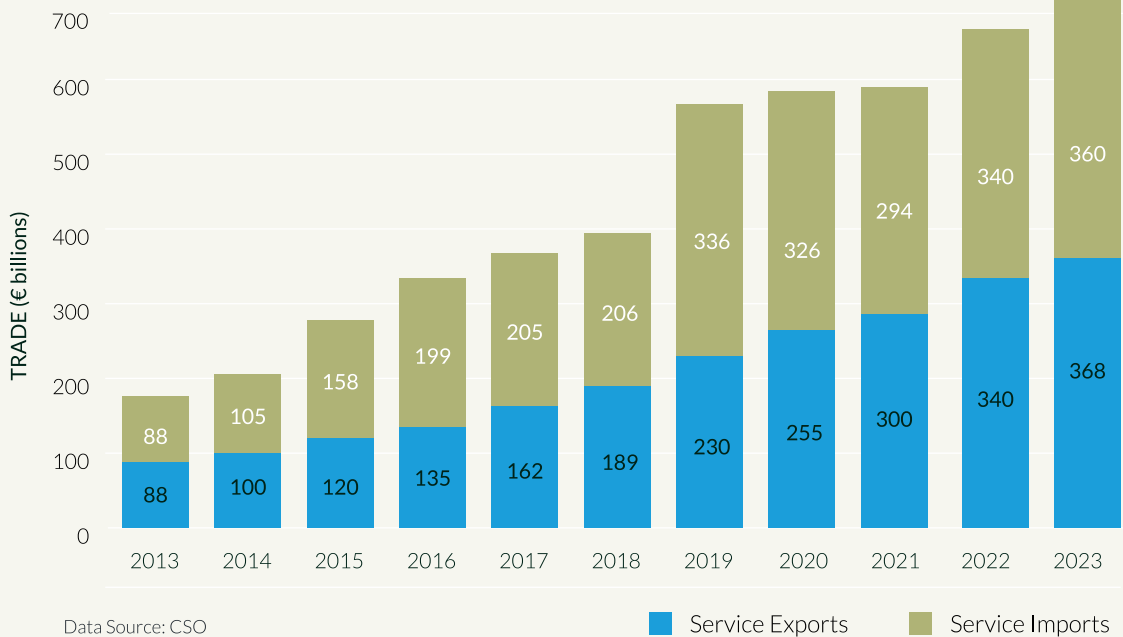
The value of services exports and imports rose to their highest ever values with exports at €368 billion and imports at €360 billion in 2023.

Services are intangible activities, facilities or benefits provided for another persons use.



The highest category of services exports was Computer Services (60% of total), and the highest category of service imports was Business Services (40% of total).

Ireland's Services Trade

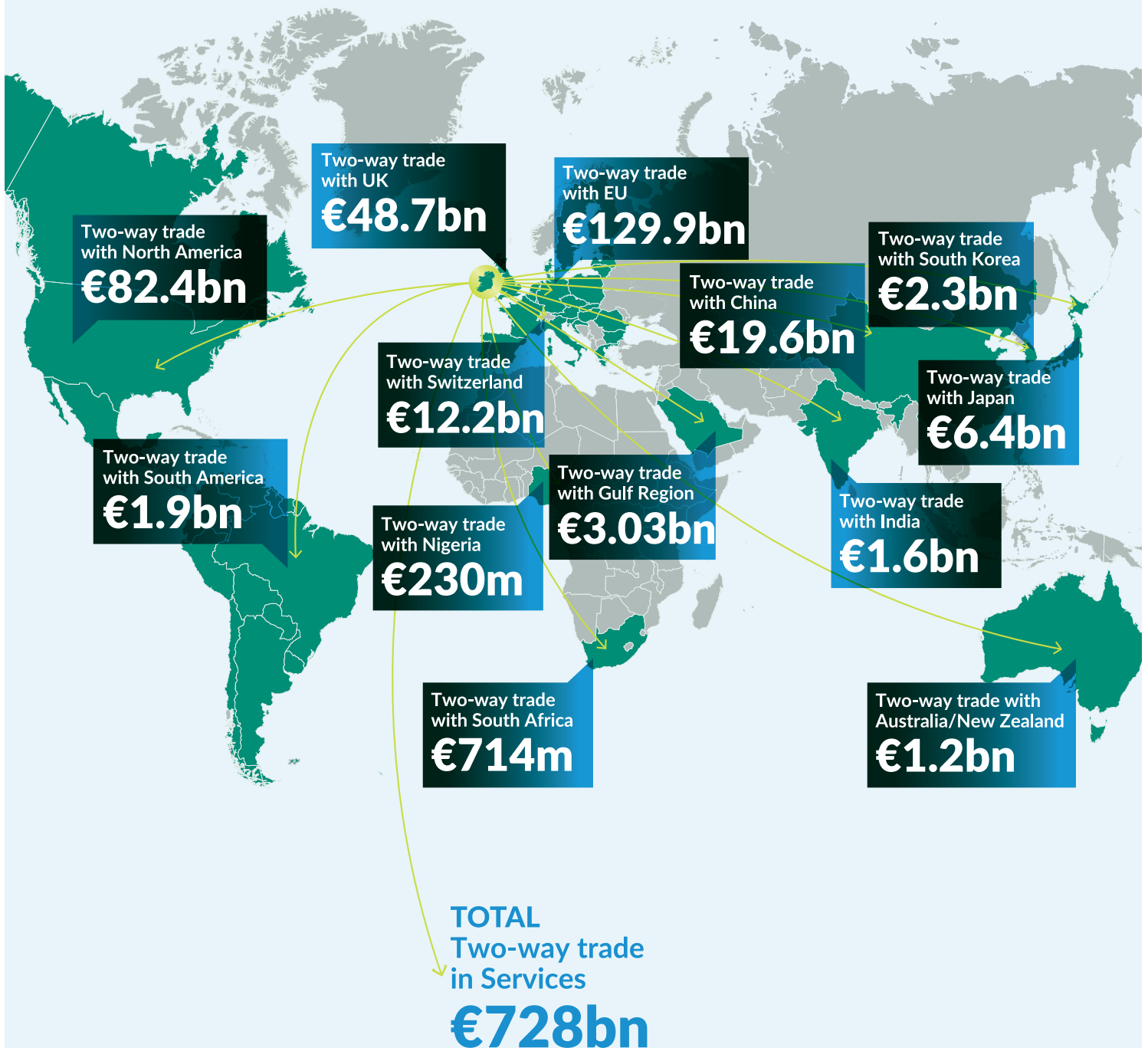


Ireland has a highly developed knowledge economy, focused on services in high-tech, life sciences, financial services and agribusiness, including agrifood. The services sector in Ireland has grown rapidly over the last two decades and is a significant part of our economy.

Much of the growth in services has been due to both an increasing number of expanding Irish services companies across a wide range of sectors and the intensifying activities of foreign-owned companies operating in Ireland.

The growth in the 2023 services figures demonstrates that a wide range of services are successfully exported and that Irish companies have the capability and experience needed to succeed in services exports. Growth was particularly strong in life sciences and technology sectors as demand for healthcare technologies and services that enable remote working and the digital economy increased.

Two-way Trade Flows in Goods between Ireland and Key Trade Partners in 2023



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Trade and Investment Council



The Trade and Investment Council was established in 2021 and it is the lead on the development and implementation of the Trade and Investment Strategy 2022-2026.

The Council is chaired by the Minister for Enterprise, Trade and Employment and the Minister for Trade Promotion is the 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 Enterprise Ireland and IDA Ireland, research funding agencies, representative and business organisations – IBEC, Chambers Ireland, AmCham, ISME and the Irish Exporters Association.

This Council provides a forum to enable policy issues to be considered in consultation with key stakeholders and to maximise cross-Departmental and agency co-operation at home and abroad.

Brexit, geopolitical and trade and investment tensions all impact the global trade environment. These are just some of the key challenges requiring consideration with Government colleagues, agencies, and key industry stakeholders, in the context of reinvigorating and recalibrating the focus and direction of Irish trade and investment policy in the years ahead.

Recognising that trade policy plays an important role in promoting and protecting Ireland's values and standards, the overarching goal of trade strategy is to see Ireland grow sustainably, diversify export markets, and support continued prosperity and higher living standards.

This strategy seeks to best-position Ireland's trading and investment relationships right around the globe. Maximising benefits and addressing risk will be a priority requiring greater effort and collaboration across the whole of government, bringing synergy, creativity and urgency to the existing suite of strategies across trade and investment.



3

Trade and Investment Strategy 2022-2026: Value for Ireland, Values for the World



The Government adopted the Trade and Investment Strategy 2022-2026: Value for Ireland, Values for the World on 22nd March 2022 and work continues on its continued implementation.

Delivery of the strategy and the priority actions will support Ireland in realising its trade and investment goals, increase exports sustainably, deepening and extending our trade relationships, grow quality employment and reinforce our economy. The Department of Enterprise, Trade and Employment has identified seven priority actions for the new Trade and Investment Strategy, which are set out below:

Promote and Enhance Ireland's Economic and Trade and Investment 'Ecosystem'

The aim is to focus attention on Ireland's broader economic ecosystem to maintain and enhance competitiveness.

Review and Refresh the Local Market Teams

Ireland's network of overseas offices (embassies and agencies) are important assets in advancing Ireland's trade and investment agenda. Greater coordination and collaboration across this network and operating as LMTs, will maximise deliver of the Government's trade and investment objectives.

Positioning Ireland within Global Value Chains and Supply Chains

Ireland's participation in global value chains and supply chains is critical to ensuring that Irish businesses remain resilient and agile. Under the direction of the Trade and Investment Council, an expert group was established to take stock of the evolution of Ireland's position within GVCs and consider how best to deepen GVC participation for Irish firms into the future. The expert group is composed of experts from business representative bodies, enterprise, academia, Government departments, and enterprise agencies. The group met on four occasions in 2023, undertaking a range of analysis, including a review of international trends in the evolution of global value chains, a statistical profile of Ireland's participation in value and supply chains, a sectoral SWOT analysis and a review of international practice.

Communicating Ireland's Interests as a Trading Nation

Openness to international trade and investment is the backbone of Ireland's economic success. Highlighting the benefits of international trade and investment to a broader Irish audience.

Maximising Ireland's Return from EU Free Trade Agreements

Promoting the benefit of the wide network of EU Free Trade Agreements is a priority action of the Trade and Investment Strategy.

The inaugural Trade Horizons Conference held in July 2023 focused on the theme of how Irish businesses could maximise benefit from the EU's global network of Free Trade Agreements (FTAs). The aim of this conference was to raise awareness among business audiences of the value of FTAs, and help Irish business as a whole to promote market diversification and increase our exports, particularly to markets beyond the EU.

Team Ireland Trade Mission Week 2023

The objective of the annual Team Ireland Trade Mission Week (TITMW) is to support 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 inaugural TITMW was held in South Korea in 2023 and this is discussed in greater detail later in this report.

Reaping the Benefits of the EU Single Market

Working within the oversight structures of the Trade and Investment Council, DETE has taken great care to ensure that this Trade and Investment Strategy addresses not only trade and investment issues but also climate and sustainability challenges by setting out our principled and holistic approach to trade policy. The implementation of this Strategy and Action Plan will support Ireland in realising its trade and investment goals, increase exports sustainably, deepen and extend our trade relationships, grow quality employment and reinforce our economy. The new Trade and Investment Strategy provides the overarching framework for sector specific strategies.

4

Trade and Investment Missions



Trade and Investment Missions

Trade Missions present an opportunity to reinforce Ireland's global position as a stable location for investment, as well as promoting market diversification to Irish exporters, helping them to build scale and expand globally.

The 2023 programme saw 17 Trade and Investment Missions, led at Taoiseach, Tánaiste and Ministerial level to multiple countries across the USA, UK, Asia and EU Member States. These included nine joint Enterprise Ireland and IDA Trade Missions, to markets including Australia, USA, France and Germany, Canada and Singapore.

In November, South Korea hosted the first Team Ireland Trade Mission Week which saw the arrival of Taoiseach and Ministers for Enterprise Trade and Employment, Agriculture, Food and the Marine and Further and Higher Education, Research, Innovation and Science.

As part of Trade Mission week, a contingent of Enterprise Ireland client companies were introduced to potential investors and partners in South Korea and several prominent, and strategically important contract signings took place.

Enterprise Ireland also led out on 104 global trade events during 2023, highlighting Irish innovation to a global audience. Enterprise Ireland hosted 48 trade events across 17 countries on St. Patrick's Day, supporting 350 clients.





Highlights of the 2023 Trade Mission Programme:

Australia – March 2023

Minister for Enterprise, Trade and Employment, Simon Coveney TD. led a 10-day joint Enterprise Ireland and IDA Trade Mission to Melbourne, Sydney, Brisbane, Canberra and Perth as part of the St. Patrick's Day programme of global events. The trade mission focused on promoting Irish innovation and collaboration between Irish companies and companies in Australia.

Warsaw and Prague – May 2023

Minister of State for Trade Promotion Dara Calleary TD. visited several Irish companies operating in Poland and Czech Republic as part of this Trade Mission in May 2023. The mission highlighted their success in the region and the exciting opportunities for Irish companies in Central Eastern Europe to establish, scale, and grow their business.

Key highlights of the trade mission included visits to Enterprise Ireland client companies based in Warsaw and Prague including ICON, PM Group, JFC, Kingspan and Exergyn, a roundtable discussion on digitech/cyber security sector and a meeting with the Czech Minister of Industry and Trade.

USA East Coast: Boston and NYC – May 2023

Minister for Enterprise, Trade and Employment, Simon

Coveney TD. led a joint Enterprise Ireland and IDA Ireland Trade Mission to New York and Boston in May 2023 to boost trade relationships with key IDA client companies and promote world class Irish companies with leading market positions in the US. Key highlights of the US Trade Mission included, a Fintech/Financial Services Breakfast Roundtable, an IBM Research Centre visit, a Women in Leadership Business event and a number of Enterprise Ireland client announcements and new office presence announcements.

France and Germany – June 2023

Minister for Enterprise, Trade and Employment, Simon Coveney TD. and Minister of State for Employment Affairs and Retail Business, Neale Richmond TD. led a joint Enterprise Ireland and IDA Ireland Trade Mission to Germany and France in June 2023, to boost trade relationships with key IDA client companies and support Enterprise Ireland companies to scale in these key markets.

The four-day trade mission visited the cities of Essen, Düsseldorf and Frankfurt in Germany and Paris, France as well as attending Viva Tech in Paris, Europe's biggest startup & tech event. 45 Enterprise Ireland client companies took part in the trade mission across the week.



Canada – October 2023

Minister for Trade Promotion Dara Calleary TD. led a joint Enterprise Ireland and IDA Ireland four-day Trade Mission to Vancouver and Toronto in October, to boost trade relationships and promote world class Irish companies to the Canadian market.

21 Enterprise Ireland clients representing counties Cork, Dublin, Galway, Kerry, Laois, Limerick, Monaghan, Tipperary, Wicklow, Waterford and Wexford participated on the Trade Mission. The companies currently building significant business in Canada include; Enterpryze, Combilift, Moffett Automated Storage, Kent Stainless, Aubren, Flex Manager, Diona, Swoop Funding, Aryza, Fenargo, Readi-Watch, Vaultree, Bimeda, Kora Healthcare, Morgan McKinley, DAA International, Leading Edge Group, Kerry Group, Let's Get Checked, and Nearform.

Singapore Fintech Festival Trade Mission – November 2023

Minister of State Jennifer Carroll MacNeill T.D. led a joint Enterprise Ireland and IDA Ireland Trade Mission to Singapore in November 2023.

As part of the Trade Mission, Minister Carroll MacNeill visited the Enterprise Ireland Irish Pavilion at the

Singapore Fintech Festival, the world's largest fintech festival to meet with eight Irish fintech companies showcasing at the event: Intuition Publishing, Daon, MyComplianceOffice, Continuum, Defactor Labs, TransferMate, Fexco, CubeMatch.

The four-day trade mission promoted Ireland as a centre for excellence and innovation for regtech, fintech and financial services, and celebrated the success of the Irish digital finance industry in Singapore and across Southeast Asia. IDA Ireland was also in attendance, focused on promoting Ireland as a top-tier location of choice for diversified international financial services companies.

South Korea Team Ireland Trade Mission Week – October 2023

Ireland's inaugural Team Ireland Trade Mission Week (TITMW) took place in the Republic of South Korea, over four days in November 2023.

Across the week Enterprise Ireland hosted a series of high-level meetings and events with influential Korean business organisations, including a meeting with the Korean International Trade Association (KITA), an important economic organisation in Korea.



Department of Agriculture, Food and the Marine (DAFM) Trade Missions 2023

The Department of Agriculture, Food and the Marine (DAFM) works with industry, Bord Bia, Enterprise Ireland, Sustainable Foods Systems Ireland, Teagasc and Irish Embassies worldwide to deliver Ministerial Trade Missions which support the continued consolidation, growth and diversification of our agri-food export footprint worldwide. This includes particularly focusing on markets with growing middle-class populations with rising disposable incomes. These consumers have a significant and growing appetite for the high-quality, sustainable and safe food produced by our farmers, fishers and processors. In 2023, our Ministerial team led a successful programme of trade missions and overseas visits.

In February 2023, Minister of State Pippa Hackett TD. led a successful Trade Mission to Germany. In Berlin, she held a number of key political meetings while in Nuremberg, she headed the Irish delegation and supported Irish exhibitors at Biofach 2023 Organic Trade Fair.

In March 2023, Minister of Agriculture, Food and the Marine Charlie McConalogue TD. utilised the opportunity of his St. Patrick's Day visit to New Zealand to engage bilaterally with four New Zealand counterparts from the Ministry of Primary Industries.

The matters discussed covered a wide range of agri-food issues with the pilot DAFM/MPI Research Programme on Climate Change to the fore. Minister of State Martin Heydon TD. had a focus on his St. Patrick's Day visit to South Korea, on progressing Ireland's beef market access application.

Minister of State Pippa Hackett TD. undertook a St. Patrick's Day visit to Kenya and Tanzania and highlighted the Department's Development Co-operation contribution work through the UN Food and Agriculture Organisation and World Food Programme in the region.



In April 2023, Minister of State Martin Heydon TD. attended the 3rd China International Consumer Products Expo in Hainan and held key commercial meetings in Shanghai with leading customers for Irish food and beverages.

In May 2023, Minister of Agriculture, Food and the Marine Charlie McConalogue TD. led the first full post Covid in person Trade Mission to China engaging with Chinese Government Ministers in Beijing, promoting Irish Irelands high quality and sustainably produced food and drinks in engagement at SIAL the largest food fair in China and with key customers in Shanghai.

In September 2023, Minister of Agriculture, Food and the Marine Charlie McConalogue TD. led a Trade Mission to West Africa, Nigeria and Senegal which focused on opportunities to collaborate at Government-to-Government level on sustainable food systems and included a development co-operation focus in addition to political and commercial elements.

In October 2023, Minister of State Martin Heydon TD. attended the annual ANUGA Trade fair in Germany.

In November, Minister of State Martin Heydon T.D led a Trade Mission to Malaysia and the Philippines where he had engagements with Government counterparts exploring opportunities for further collaboration between Ireland and Malaysia and Philippines as series of promotional events for Irish agri-food.

Minister of Agriculture, Food and the Marine Charlie McConalogue TD. and Minister of State Martin Heydon TD. led successful Bord Bia Trade Receptions at the Irish Embassies in both London and Paris in December 2023.

South Korea Team Ireland Trade Mission – October 2023

Ireland's inaugural Team Ireland Trade Mission Week (TITMW) took place in the Republic of South Korea, over four days from 31st October to 4th November 2023 with An Taoiseach Leo Varadkar and a high-level delegation, including Minister for Enterprise, Trade and Employment, Simon Coveney TD., Minister for Agriculture, Food and the Marine, Charlie McConalogue TD. and Minister for Further and Higher Education, Research, Innovation and Science Simon Harris TD. in attendance, along with the CEOs of State Agencies and 21 Irish companies and higher education institutions.



Team Ireland Trade Mission Week is a yearly multi-Minister trade delegation, led by An Taoiseach in support of the Government's drive towards market diversification to assist the development and expansion of Ireland's exports, tourism, and inward investment from existing and new markets.

TITMW is an initiative of Ireland's Trade and Investment Strategy: Value for Ireland, Values for the World, the objective of which is to take advantage of the collective action of Team Ireland to enhance the visibility and profile of Ireland in the selected market, similar to that achieved during the annual St. Patrick's Day programme.

The Trade Mission commenced on the 31st October with the first Joint Economic Commission between Ireland and South Korea since 2017, involving significant interdepartmental and inter-agency coordination.

Ireland's inaugural Team Ireland Trade Mission Week can be considered a success with tangible outcomes achieved which are a direct result of Team Ireland Trade Mission Week including:

- Market access for Irish beef to the South Korean market.

- A K-ETA visa system exemption that was announced shortly after the Trade Mission Week.
- Other significant deliverables were also achieved relating to individual MOU's signed between Korean and Irish businesses, and long term relationships established which in time will lead to further future business opportunities.

Feedback relating to TITMW received from participating organisations has been overwhelmingly positive.

Media coverage of Team Ireland Trade Mission Week and Ireland's approach to promoting international trade achieved a high level of coverage in South Korea's press and media. The resultant media coverage has raised the profile of Ireland as an innovative, dynamic, and welcoming European location in which to do business and to Invest.

South Korea's selection as the destination for Ireland's inaugural Team Ireland Trade Mission Week was made following a considered process, and during the Trade Mission it became clear that the many similarities between the two countries endorsed the selection process.



TITMW brokered introductions to South Korean companies with world leading technology in the areas of green technology, batteries, biopharmaceuticals and in chip production. TITMW highlighted Ireland's global position as a stable location for investment and provided opportunities to meet and influence key decision makers from across Korea's political, business and academic sectors. The presence of An Taoiseach and multiple government Minister's was instrumental in opening doors to high level senior executives among Korea's largest corporations for agencies and client companies.

Over the course of the four days, some 40+ meetings were held, reaffirming the importance of political, economic and people-to-people ties with a key like-minded partner country, a breakdown of the meetings are set out below:

- Five bilateral meetings;
- Five high level meetings;
- 13 trade and investment events;
- Seven education events;
- Seven agri. related events, and
- Several individual company contract signings.

5

The Global Impact of the Department of Enterprise, Trade and Employment

Overview of 2023 and Continuing Challenges of International Trade

Contemporary EU Trade Policy has been marked by an era of increased global trade tensions, the rise of trade barriers, the collective weakening of the multilateral system and the weaponisation of trade through the use of economic measures such as tariffs, sanctions and other restrictions to achieve specific political or strategic objectives. Rising geopolitical tensions and a challenging trading environment has resulted in increased uncertainty for businesses, as they try to navigate their way through this extended period of upheaval.

As the economic reverberations of Russia's invasion of Ukraine ripple across Europe, tensions in the Middle East and the potential fallout from a protracted war in Gaza and the stability of the region as a whole, as well as the political uncertainty in the United States ahead of Presidential elections in the US as well as US concern on the growing influence of China, highlights the many political challenges as well as the economic challenges that the EU is facing.

Russia's invasion of Ukraine continued throughout 2023 with the EU continuing a programme of targeted sanctions against Russia targeting oil, coal, steel and preventing European goods including technology, aviation products, luxury goods and services being exported to Russia. The EU's sanctions remain in place and were supplemented with additional measures throughout 2023.

The EU has had to respond to these new challenges through a series of measures including new legislative instruments in order to defend the EU's economic interests as well as to assert the EU's own economic and strategic objectives. An Economic Security strategy was launched in June 2023, the strategy established a common framework for achieving economic security by promoting the EU's economic base and competitiveness; protecting against risks; and partnering with the broadest possible range of countries to address shared concerns and interests.

These objectives have pushed EU trade policy trajectory into a more defensive and protectionist leaning direction, which Ireland and other like-minded Member States have been keen to limit given the importance of open and rules-based trade for an economy like Ireland's.

In that context, the EU's trade policy goals and strategic objectives need to be refreshed and the positive impacts of an open trade policy within the framework of the EU's open strategic autonomy needs to be reinvigorated.

The political landscape throughout 2023 continued to be challenging. Retaliatory tariffs and sanctions continued to dominate the US policy approach to China and relations between the two biggest global traders continued to be at an all-time low and the EU finds itself having to steer a steady course between the two to avoid being caught up in the wake of an economic rivalry.

The EU and US continued their positive trade engagement under the Trade and Technology Council which culminated in a EU-US summit in October 2023. While firm deliverables were absent from the Summit, both sides have agreed to continue to discuss their mutual trade interests with the view of institutionalising the TTC forum beyond the confines of the US and EU election cycles.

Similar to 2022, in 2023 we saw a continued rise in distortive and coercive trade practices by third countries. Trade impacting issues such as economic nationalism, strategic autonomy, 're-shoring' or 'friend-shoring' added to the challenges facing global supply chains.

Ireland and the EU's response in redoubling its efforts to support and strengthen the rules-based multilateral system has seen modest success, with 2023 used as a year to prepare for the 13th Ministerial Conference of the WTO taking place in Abu Dhabi in February 2024 (MC13).

Ongoing discussions continued in 2023 on issues such as WTO reform, the restoration of a fully functioning Dispute Settlement Process, trade and health, food security, fisheries subsidies, an extension of the moratorium on customs duties on e-commerce transactions, together with Plastics Pollution and Environmentally Sustainable Plastics Trade, Fossil Fuel Subsidy Reform and an intellectual property agreement (the TRIPS waiver) on therapeutics and diagnostics to assist developing countries.

Ireland continued to support the EU's ambitious Free Trade Agenda which delivered some positive news with the successful conclusion and ratification of Free Trade Agreements with New Zealand and Chile. The New Zealand agreement will come into force on 1st May 2024 and will benefit Irish exporters looking to access new foreign markets and Irish consumers with quality goods from New Zealand entering the European market with greater ease.

In June 2023, the European Union launched its Economic Security Strategy, to enhance the Union's economic resilience in the face of several economic and geo-political challenges including reducing strategic dependencies with countries that pose a risk to Europe's economic sovereignty.

The strategy focuses on several key areas: safeguarding critical infrastructure, ensuring supply chain security, promoting technological sovereignty, and enhancing cyber defences. Part of the EU's response to matters of economic security will include trade policy objectives that underscore the EU's commitment to open rules-based trade with like-minded partners and establishing trade measures to deter third countries from seeking to influence or coerce the EU or its constituent Member States. Ireland has been central to discussions on the development of a coherent and trade friendly response to economic security issues.

Ireland's status, as an open, export-focused economy is particularly sensitive to economic shocks and a move away from open rules-based trade. Under these conditions, there is continued emphasis on ensuring that Ireland's interests are strongly represented and robustly defended. This is reflected at national, European, and international level to ensure that the rebuilding of our economy and global demand is based on key principles that support jobs, job growth, competitiveness, productivity, innovation, and sustainability.



Brussels – European Union

Ireland's economy depends on a multilateral, rules-based system that supports our ability to trade around the world, in a fair and sustainable way. Trade in goods and services is a cornerstone of our national economy and this openness to trade, investment, people and ideas is a national strength that has helped transform our economy and society, creating high value employment opportunities throughout Ireland.

Our membership of the European Union for the last 50 years has enabled Ireland to benefit from the largest trade network in the world, with 45 applied trade agreements covering 77 partner countries. Ireland is keen to expand this network further.

Our staff, based at the Permanent Representation in Brussels, represent Ireland's trade interests at EU level through effective coordination and cooperation with the Department's Trade Division and colleagues in the Department of Foreign Affairs.

In Brussels, the main committee at which Ireland can discuss trade issues is the Trade Policy Committee (TPC). The committee advises and assists the European Commission in negotiating agreements with 'Third Countries' or in international organisations in the area of the Common Commercial Policy. It also acts as one of the preparatory bodies in the decision-making process of the Council as regards EU trade policy.

The Brussels team play a key role in cooperating with our like-minded partners from fellow EU Member States to grow our network EU Free Trade Agreements, which will support more opportunities for exports and investment. Ireland is also a strong advocate of a trade policy that promotes higher environmental and human right standards around the world.

The Permanent Representation's trade team is also a key point of contact for Irish industry stakeholders across a range of sectors who operate in Brussels and engage with EU institutions. The team has also played a key role in building relationships with current and prospective 'Third Country' trading partners with missions in Brussels including Canada, Australia, New Zealand and India.

2023 saw continued discussions on a number of Free Trade Agreements including India, Mexico and Indonesia as well the inclusion of new digital chapters in existing agreements. The EU continued to deepen its engagement with African countries in 2023. The EU and Angola signed a sustainable investment facilitation agreement (SIFA) on 17 November 2023 - the first EU agreement of this kind. The EU and Kenya concluded negotiations for an Economic Partnership Agreement (EPA) on 19 June 2023.

Ireland's trade relationship with the US remains strong and dynamic. Our membership of the EU has played a key role in attracting US companies to Ireland as a base to sell into Europe and other markets. Ireland strongly supports the EU-US Trade and Technology Council (TTC) as a valuable forum for engagement to coordinate approaches to global trade and technology issues. In 2023, the fourth EU-US Trade and Technology Council was held in Lulea, Sweden. In October, the EU-US Summit was held in Washington which resulted in the adoption of a joint statement, providing a roadmap to further deepen trans-Atlantic collaboration.

Ireland, through its EU partners, stands firmly with Ukraine and its people, and will continue to strongly support Ukraine's economy, society and future reconstruction. In 2023, the EU extended the regulation allowing for temporary full trade liberalisation and the suspension of tariffs on Ukrainian goods entering the European market. Thanks to these measures, the EU is significantly supporting Ukraine's economy.

Trade Policy

While trade is vitally important for Ireland's economy, issues relating to trade can also prove to be politically sensitive. In today's global economy, trade negotiations can be challenging and typically involve reaching agreement on the extent to which countries will agree the scale and scope of access to each other's markets. It is important for Ireland that there is an expansion of trade opportunities while at the same time being alert to areas where there are particular sensitivities. This involves assessing which industries will gain or lose from a given deal, and what the overall outcome will be, given the subsequent effect for various sectors of our economy.

In Brussels, the main committee at which Ireland can discuss such trade issues is the Trade Policy Committee (TPC). The committee advises and assists the EU Commission in negotiating agreements with third countries or in international organisations in the Common Commercial Policy. It also acts as one of the preparatory bodies in the decision-making process of the Council regarding EU trade policy.

The TPC deals with trade policy matters within three main areas:

- Issues related to the World Trade Organization (WTO)
- Bilateral trade relations
- New EU legislation within the trade policy area, as appropriate

In recent years, the EU has concluded trade deals with Canada, Japan, Singapore, New Zealand, Chile and Mexico, each of which was discussed at meetings of the Trade Policy Committee.

Trade policy is dependent on strong multi-lateral frameworks, such as the World Trade Organisation and bilateral engagement that looks to support global economic prosperity. However, the multilateral nature of trade policy has been subject to increasing tensions amongst some of the world's largest trading nations. As a result, the build-up of trade nationalism and a lack of robust enforcement of multilateral rules, the European Union has been required to develop a number of trade policy tools with the objective of defending EU interests and reassert a level playing field with its third country partners. Therefore, the EU's trade defence toolkit has evolved significantly over the last number of years, driven in part, by international headwinds that seek to undermine the rules-based free trading system, the EU has seen a steady rise in trade nationalism, both east and west, and a casual dismissal of heretofore central tenets of the international trading system, such as a two-stage

dispute settlement process or ensuring that third country initiatives are WTO compliant.

The EU's evolving toolkit is reflective of the policy space that EU trade policy must now operate in – continuing to advocate for the importance of open and fair trade while recognising that the EU must defend its interests when others seek to exploit our openness.

In that regard, in October 2023, European Commission President Ursula von der Leyen announced that the Commission would launch an ex-officio anti-subsidies investigation into electric vehicles coming from China. If proven, the investigation could pave the way for the EU to impose additional taxes on Chinese vehicles.

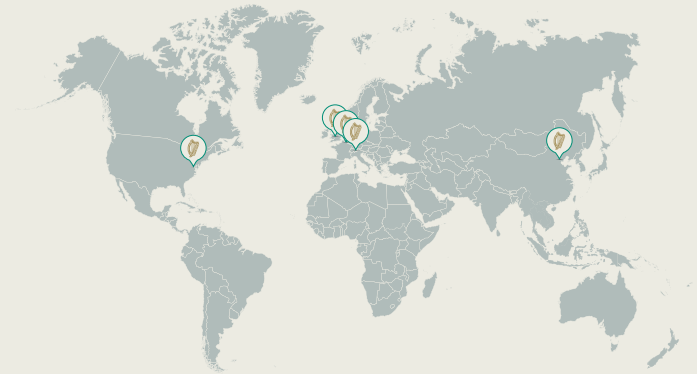
In addition, the updated Trade Enforcement Regulation allows the Union to act when the WTO or other adjudicator has found that a trading partner has breached its WTO or FTA commitments towards the EU. The ability to access critical supplies requires strong and effective enforcement measures and the EU has created built in safeguards to ensure that FTAs can be implemented in a balanced and consistent way.

Lastly, in 2023 the Commission reached a final political agreement on the Anti-Coercion Instrument (ACI). This new tool enables the EU to respond to economic coercion, and therefore to better defend its interests and those of its Member States on the global stage. The ACI is designed to act as a deterrent against any potential economic coercion. If economic coercion takes place, the ACI provides a structure to get the third country to stop the coercive measures, through dialogue and engagement. However, if engagement fails, it also gives the EU access to a wide range of possible countermeasures against a coercing country. These include the imposition of tariffs, restrictions on trade in services, and restrictions on access to foreign direct investment or public procurement.

International Impact

The Department of Enterprise, Trade and Employment has officers at Counsellor and Trade Attaché level in:

- Brussels
- Geneva
- London
- Washington DC
- Beijing



The focus of these posts varies by location, with some concentrated on representing Ireland's interests in EU and international organisations; while in other cases, the Department's officers work in Ireland's embassies and consulates alongside colleagues in the Department of Foreign Affairs, and from other Departments and agencies, as part of the 'Local Market Teams'.

These teams work together to advance Ireland's bilateral trade and economic relationships in each market, and to support both the Minister for Enterprise, Trade and Employment and Minister of State for Trade Promotion in implementing the programme of trade missions in pursuit of Ireland's trade and investment goals.

Washington DC

The senior posting to the Irish Embassy in Washington DC reflects the increasing importance of Ireland's strategic trade, investment and innovation interests and US developments in these policy domains. In a world of unrelenting change and frequent shocks, one constant is the depth and durability of Irish-US commercial relations.

The Department's Counsellor in Washington DC ensures effective engagement with diverse US enterprise interests and cultivation of relations with the US Administration and key government departments, federal agencies and relevant stakeholders, reporting on activities, initiatives, major publications and promoting engagement between the Department and these entities. The Counsellor also helps to lead the Local Market Team which includes all State Agencies operating in the US and coordinate economic positions across the network of Consulates.

The Ireland US bilateral trade and investment relationship remained robust over 2023. Both parties are deeply embedded in each other's economy, creating mutual benefits for all stakeholders on both sides of the Atlantic. In 2023, there were 970 US companies in Ireland directly employing almost

210,000 people and indirectly employing a further 168,000.

In 2023, the bulk of FDI in Ireland came from the US – 156 of the 248 investments won. In 2023, with the support of Enterprise Ireland, 42 Irish companies set up new US presences contributing to the total of 650 companies employing over 100,000 people at 2500 locations across all 50 US states.

The European Union and the United States have the largest bilateral trade and investment relationship and enjoy the most integrated economic relationship in the world. In 2023, EU-US good trade hit a record of \$946 billion. Together, the EU-US trade represent 20% of the global trade in goods and services, in turn creating jobs and growth on both sides of the Atlantic.

The EU - US Trade and Technology Council (TTC) remained the principal coordination mechanism through which the EU and the US engaged on trade policy during 2023. Across ten TTC working groups, both are pursuing policy outcomes on trade and technology that align with shared values and promote a rules-based economic system. The TTC held its fourth ministerial meeting in Lulea, Sweden, on 31 May 2023.

Russia's war of aggression against Ukraine continued to dominate discussions with both sides pledging to work jointly with Ukraine to rebuild its economy and committing to coordination on export controls. Discussions also focussed on inbound and outbound screening mechanisms, economic coercion, and 'de-risking'. Convergence around key technologies like 6G, quantum computing, and artificial intelligence (AI) also featured in the joint statement issued following the meeting.

In 2023, the EU continued to have serious concerns about the impact of inward looking tendencies in US trade policy, favouring domestic sectoral interests. These concerns came to a head with the adoption of the US Inflation Reduction Act (IRA). In 2023, negotiations continued on a Critical Minerals Agreement (CMA).

The CMA would effectively create a trade agreement between the US and EU to foster supply chains in critical raw materials needed for the production of electric vehicle batteries. Importantly, the CMA would ensure the US grants the EU a status equivalent to US free trade agreement partners pursuant to the IRA.

In February 2023, Minister for Enterprise, Trade & Employment Simon Coveney TD, travelled to the West Coast of the US for a series of high-level meetings with a range of companies. The Tánaiste was accompanied by Secretary General of the Department, Dr. Orlaigh Quinn and officials from Enterprise Ireland and IDA Ireland. The Minister underlined Ireland's strong FDI value proposition, including the Government's pro-enterprise policy, highly educated English-speaking workforce and our membership of the European Union. In May 2023, Minister Coveney led a joint Enterprise Ireland and IDA Ireland Trade Mission to New York and Boston. The visit highlighted the success of leading Irish companies in the US market, in particular on the East Coast. The Minister also used the opportunity to reinforce Ireland's global position as a stable location for investment and expansion in spite of economic headwinds and an ever-changing environment for investment flows.



Beijing

The DETE attaché at Embassy Beijing, referred to as Trade Counsellor, works very closely with the Economic Counsellor in the ECONTRADE section of the embassy. The section is responsible for economic and trade reporting, trade promotion and also covers Science & Technology, Digital, IP, Aviation and Tourism.

Following three years of COVID-19 restrictions China began opening up in early 2023. This provided the embassy with many opportunities to promote Ireland. During the year a number of Trade Expos were attended including three of China's big four.

Ireland National Pavilion at 2023 Hainan Expo

Minister of State at the Department of Agriculture, Food and the Marine Martin Heydon TD. addressed the 2023 Global Consumption Innovation, Duty Free and Travel Retail Conference. Minister Heydon met Liu Xiaoming, Deputy Party Secretary and Acting Governor of Hainan and Sheng Qiuping, Vice Minister of Commerce. Vice Minister Sheng later paid a visit to DETE where he announced Ireland as the guest Country of Honour for the Hainan Expo 2024.

Ireland National Pavilion at 2023 CIFTIS Beijing

CIFTIS is the world's largest exhibition focusing on trade in the services sector and is the largest annual trade event held in Beijing. It highlights the growing importance of trade in services to the Chinese economy, both domestically and globally, showcasing achievements and innovations in China's service trade sector, serving as a platform for enhancing collaboration in international service trade and nurturing mutually beneficial relationships with overseas companies seeking to do business in the Chinese market.

During the five-day exhibition, the Ireland National Pavilion received approximately 20,000 visitors, including officials from central and provincial government, representatives from industry associations, business chambers, as well as delegates from numerous Chinese enterprises. The Embassy arranged field trips for our agencies and exhibitors to the CIFTIS ShouGang campus, an annex of the main CIFTIS venue which contained nine thematic specialised industry exhibition zones e.g. life

sciences, healthcare, financial services, etc. The Embassy brought a delegation of Irish companies and representatives from IDA Ireland and Enterprise Ireland to visit the campus and network with relevant companies there.

The Embassy and State agencies jointly organised an embassy networking reception to mark the occasion, attended by key official and business contacts of Team Ireland.

Ireland National Pavilion at 2023 CIIE Shanghai

2023 was the first time since 2019 the CIIE Fair allowed offline pavilions. Team Ireland attendees consisted of agency personnel from Enterprise Ireland, Bord Bia and Tourism Ireland, and staff from both Consulate General, Shanghai and Embassy Beijing.

The national pavilion was shared with the Industry and Commerce Association of Ireland (ICAOI) who brought a number of companies to complement those sponsored by our agencies.

Outreach

A number of outreach visits were undertaken during the year in conjunction with our agencies and these included visits to local government, country seminars and company visits. One such visit to Guangzhou & Shenzhen in the southern province of Guangdong included visits to a number of IDA target clients and visits to Guangzhou Dublin International College of Life Sciences and Technology at South China Agricultural University (UCD partner) and to Guangzhou Nanfang College, launch of new joint program with Griffith College (partner).

Other visits to Xi'an and Tianjin followed similar itineraries to maintain the embassy's existing links with relevant provincial government departments and entities.

London

As a small open economy, our relationships across the globe have always mattered, and in this context, we have placed a particular emphasis on our nearest neighbour, the UK. The UK market remains of vital strategic importance for Irish businesses, and it will continue to be an important first step for Irish companies as they start their export journey.

The EU-UK Trade and Cooperation Agreement (TCA) outlines the framework for our new trading relationship with the UK. The TCA is also dependent on a continual process of discussion and review, and the new rules will result in many changes. The Windsor Framework charts a new way forward on trade with Northern Ireland, and provides for tariff-free, quota-free trade between the EU and the UK and for sectoral cooperation in a number of important areas.

Since the signing of the Anglo-Irish Free Trade Agreement in 1965, the Department of Enterprise, Trade and Employment (DETE) in its various formations has maintained the posting of senior officials to cover trade relations with the UK. Sustained engagement by Department officials based in the Irish Embassy in London is essential to maintaining a constructive bilateral economic relationship with the relevant stakeholders across the UK system.

The Departments team at the Embassy of Ireland in London is responsible for leading the development, support and strengthening of bilateral economic and commercial relations between the UK and Ireland. Their primary role is to cultivate and enhance bilateral trade relations between the UK and Ireland, working closely with Enterprise Ireland and IDA Ireland to maximise opportunities for Irish businesses in the UK market.

The Department of Enterprise, Trade and Employment has prioritised the importance of maintaining and enhancing connections with key stakeholders in the UK, and building the new bilateral relationships required following the UK exit from the EU. The Department of Enterprise, Trade and Employment's relationship with the Department for Business and Trade (DBT) represents one such important connection.

In the last quarter of 2023, the Department's team in London organised a high-level senior officials meeting between the two Departments whereby the Department of Enterprise, Trade and Employment's Secretary General and Assistant Secretaries of the Trade Policy, Indigenous Enterprise and Innovation & Investment divisions met with their counterparts in DBT. The objective for this meeting was to give DETE and DBT the opportunity to discuss areas of mutual interest as well as to identify common challenges and areas of potential future mutual learning.

A broad range of topics was examined during this exchange, including trade promotion, productivity, supports for SMEs, economic security, and sectoral enterprise policy. DBT and DETE agreed to continue to share experience and good practice on many of the issues discussed at the meeting, as well as seeking to engage in other areas such as access to finance, digital regulation and employment.

The meeting provided an important opportunity to revitalise and deepen connections between the two departments. It also facilitated the development of a closer working relationship between the two departments, which should help to ensure that shared challenges and opportunities are identified and considered in a timely and constructive way.

Both DETE and DBT have committed to placing this bilateral exchange on a regular footing, with the Department of Enterprise, Trade and Employment set to host the next iteration of this meeting in Dublin in 2024.



Geneva - International Organisations

As a small open trading economy, reliant on international trade and investment for its economic development and job creation, Ireland is a strong supporter and beneficiary of the global, rules-based, trading system. There are 164 members of the World Trade Organisation, soon to be 166 following the accession of Timor Leste and Comoros in February.

World Trade Organisation (WTO)

The WTO negotiates global agreements, commitments, and rules in various aspects and sectors of trade. It monitors compliance with those commitments and rules, and it provides a system for settling disputes between members. The WTO also seeks to ensure that trade policies support wider global objectives such as the response to the global pandemic crisis and the challenge of environmental sustainability.

The WTO meets at Ministerial Conference (MC) level every two years and takes decisions by consensus. The WTO's 13th Ministerial Conference (MC13) is due to take place on 26 to 29 February 2024 in Geneva.

Ireland will be represented by the Minister for Enterprise, Trade & Employment. At the WTO, the Department's officials represent Ireland's interests across a broad range of issues and negotiating

topics such as: e-commerce; investment facilitation; trade participation of small and medium enterprises; agricultural supports and restrictions; fisheries subsidies; trade and health; trade and development of developing countries; and trade and the environment. Our officials also participate at WTO Committees that monitor compliance with the rules that govern the world trading system such as legally bound tariff levels, non-tariff barriers, regulatory standards, trade facilitation practices and subsidies, as well as dispute settlement cases that impact on Ireland.

Networking with the major players at the WTO, as well as with like-minded members from across the globe, and analysing developments in the negotiations, is critical to promoting Ireland's interests directly in Geneva, as well as informing Ireland's input to the development of EU trade policy in Brussels.

International Labour Organization (ILO)

The ILO, founded in 1919, aims to promote decent work. It does this by creating international labour standards (conventions), greater opportunities for people to secure decent employment, enhancing the coverage of social protection for all and strengthening tripartism and social dialogue. 187 of the 193 UN countries are members of the ILO. The ILO's tripartite structure, in which Governments, Workers and Employers have an equal voice, is unique in the UN system.

Ireland became a member of the ILO in 1923, the first international organisation which the new State joined. Ireland's links with the ILO can be traced back to Edward Phelan, a Waterford born civil servant, who became the ILO's first official, and went on to lead the ILO as Director-General from 1941-1948. It has ratified 73 ILO conventions out of a total of 189, including the 8 fundamental conventions. In June 2017 Ireland was elected to a Titulaire (speaking and voting) seat on the ILO's Governing Body for the first time. Ireland's annual contribution to the ILO in 2023 was €1,589,006.

In addition to the Department of Enterprise, Trade and Employment partnership with the ILO, The Department of Foreign Affairs, Irish Aid Division supports the ILO to expand social protection services in Sub-Saharan Africa. The Development Cooperation Division's current 3-year partnership provides a total of €4.5 million to the ILO for the 2023-2025 period.

DETE officials in Dublin also monitor, coordinate and contribute to national and EU developments of relevance on the ILO agenda, focusing in particular on sectoral meetings and crosscutting trade/labour discussions that span the multilateral system.

This entails attending, and participating in, ILO meetings and seminars including the Governing Body (meetings span two weeks) and the annual International Labour Conference (two weeks in June) all of which take place in Geneva.

World Intellectual Property Organization (WIPO)

WIPO was created in 1967 to encourage creativity by promoting the protection of various forms of intellectual property. WIPO has 192 members and administers some 26 international treaties. The work of WIPO is an area of particular importance to Ireland given our heavy investment in the area of science, technology and innovation (STI).

The work of WIPO is directed by the General Assembly which comprises delegates from member states who convene on a biennial basis to establish policy positions, and which are in turn effected by the various standing committees that convene on an ongoing basis at the organisation's headquarters in Geneva.

It is important that Irish Intellectual Property interests are reflected internationally, and the Department's officials keep abreast of both the General Assembly and the work of the various related standing committees, particularly those on the topics of enforcement, law of trademarks on industrial designs and geographic indications, copyright and related rights and law of patents. Our engagement with WIPO provides a strategic international focus to Ireland's legislation and policy development on STI to ensure that we maintain and continue the Ireland's development as an innovation driven economy.

6

EU Trade Policy



EU Free Trade Agreements

In addition to global efforts supported by the enterprise agencies of the Department, Ireland's success in growing exports and attracting foreign investment is largely due to its commitment to trade liberalization, which opens new markets for indigenous sectors. With a small domestic market, expanding into other markets is crucial for continued economic growth. Ireland actively supports the EU's ambitious program of negotiating new Free Trade Agreements, which create new opportunities for Irish companies and enhance export and investment prospects.

The European Union negotiates Trade Agreements with other countries or trading blocs on behalf of its Member States. The Department of Enterprise, Trade and Employment is responsible for shaping Ireland's international trade policy, represents and advocates for Ireland's interests in discussions initiated by the European Commission with Member States when proposing new trade negotiations.

The Department conducts stakeholder consultations before such negotiations to ensure the interests of Irish industry and sectoral representative groups are considered, including specific regional issues and opportunities.

Before starting negotiations with a potential Trade Agreement partner, the EU conducts impact assessments to determine if a trade agreement is the best way to enhance trade relations with a specific partner country and what issues should be covered.

The EU also analyses the impact of individual trade agreements once they are in force, covering economic, social, human and labour rights, and environmental aspects, and tracks sector-specific impacts in these reports.

Economic Benefits of FTA's

The EU has the largest Free Trade Agreement Network in the world, with 41 trade agreements covering 74 countries worldwide and accounting for 44% of the EU's external trade. This growing network of trade agreements creates opportunities for workers across Europe.

The EU's FTA's deliver real economic results for consumers, workers, and small companies without compromising on core principles like human rights and sustainable development. Negotiating trade agreements is a lengthy and complex process, often taking several years to conclude, but the rewards make them worth the time and effort. Significant EU trade deals go through the full democratic process before they enter into force. They must be approved by the European Council (Prime Ministers of all 27 Member States), and MEPs must give their consent in the European Parliament, meaning these trade deals come under deep scrutiny.

EU Next Generation Trade Agreements

The 'Next Generation' Trade Agreements are about more than just tariffs. For examples, as part of the negotiations there are generally certain steps agreed which aim to make it easier for Irish Companies to:

- Access public procurement;
- Get products certified or comply with labelling rules;
- Avail of simplified customs procedures;
- Have professional qualifications such as architects recognised;
- Access business visitor visas;
- Deliver cross border services;
- Protect their intellectual property rights.

Examples of Free Trade Agreements that were recently agreed or are the subject of ongoing negotiations are as follows:

Australia

Negotiations for an EU-Australia FTA were officially launched in Canberra on 18th June 2018. Fifteen negotiating rounds have been held, the last of which concluded in April 2023 in Brussels. Based on the European Commission's 2018 impact statement, it is estimated that ambitious FTAs with Australia and New Zealand will together generate an increase in EU GDP of €4.9 billion annually.

New Zealand

On the 30 June, the EU and New Zealand announced the successful conclusion of negotiations for a Free Trade Agreement, following four years of negotiations beginning in June 2018. Following its signature on 9 July 2023, the European Parliament ratified the trade agreement between the EU and New Zealand during its plenary session in Strasbourg on 22 November 2023. Trade between New Zealand and the EU is expected to increase by 30%, with the removal of tariffs potentially saving EU businesses €140m in duties.

Japan

The Economic Partnership Agreement between the EU and Japan was signed on 17 July 2018 and came into effect on 1 February 2019. Negotiations were launched in October 2022 to reopen the agreement to include a chapter on data flows, with the latest round taking place in October 2023.

India

The fifth round of EU-India Free Trade Agreement negotiations took place in June 2023. This was complemented by the first EU-India Trade and Technology Council (TTC) which took place on 16th May 2023 in Brussels. As part of the working group on trade, investment and resilient value chains, the EU and India have agreed to deepen their common work on resilient value chains, work to resolve bilateral market access issues and exchange information on each other's mechanisms on foreign direct investment screening.

Indonesia

Negotiations on an EU-Indonesia FTA continued in 2023 with the 16th round taking place in December. Indonesia is the largest economy in the dynamic Association of Southeast Asian Nations (ASEAN) trading bloc and one of the fastest growing economies in the region.

Mercosur

Mercosur comprises Argentina, Brazil, Paraguay and Uruguay. Together this is a market of 260m people. In June 2019 a political agreement on a comprehensive trade agreement was reached. In addition to cutting tariffs the agreement promises to ease the customs and compliance procedures that EU firms experience when exporting to the region. Work is ongoing to strengthen the of the Trade and Sustainable Development provisions of the Agreement.

Chile

The EU and Chile concluded an Association Agreement in 2002, which included a comprehensive Free Trade Agreement. At the time, it was a 'state of the art' FTA, but since then there have been significant trade policy developments affecting both the EU and Chile. Negotiations for a modernised Association Agreement began in 2017.

EU-Angola Sustainable Investment Facilitation Agreement (SIFA)

In November 2022, the European Commission concluded negotiations with the Republic of Angola on a Sustainable Investment Facilitation Agreement (SIFA) – the first EU agreement of this kind. The EU and Angola signed the agreement on 17 November 2023. This agreement will make it easier to attract and expand investments while integrating environment and labour rights commitments in the EU-Angola relationship.

EU-Kenya Economic Partnership Agreement (EPA)

The EU and Kenya concluded negotiations for an Economic Partnership Agreement (EPA) on 19 June 2023. The agreement will boost trade in goods and create new economic opportunities, with targeted cooperation to enhance Kenya's economic development. It is the most ambitious EU trade agreement with an African country on sustainability and the first agreement with a developing country in which the EU's new, and country-specific, approach to trade and sustainable development is reflected.

European Union and United States

In 2023, Ireland continued to advocate at EU level for closer cooperation on trade issues with the US, our largest trading partner. The fourth EU-US Trade and Technology Council was held in Lulea, Sweden, on 31 May 2023 and saw the parties commit to advance transatlantic cooperation on emerging technologies, sustainable trade, economic security and prosperity, secure connectivity and human rights in the digital environment. Both parties also reaffirmed their unwavering commitment to support Ukraine.

An EU-US summit was held in Washington D.C. on 20 October 2023. The EU was led by President of the European Council Charles Michel, the President of the European Commission Ursula von der Leyen and the High Representative of the European Union for Foreign Affairs and Security Policy Josep Borrell. The US representation was headed by US President Joe Biden and the US Secretary of State Antony Blinken. At the end of the summit, the leaders adopted a joint statement, which includes a roadmap to underpin and further strengthen the relationship for years to come.

Among the trade policy issues considered were addressing distortive non-market economic practices, reducing supply chain vulnerabilities and strengthening transatlantic supply chains.

On 19 December 2023, the EU announced its decision to extend until 31 March 2025 the suspension of its rebalancing tariffs on US products in

the context of the steel and aluminium dispute. Initially implemented during the Trump Presidency, the EU rebalancing tariffs on US exports were a response to the US “Section 232” tariffs on steel and aluminium.

This extension is the result of an agreement reached with the US. The EU prolongs the suspension of rebalancing tariffs in return for the US extending the suspension of its tariffs for historical trade volumes that are reflected in the Tariff-Rate Quota (TRQ) system established in January 2022. In addition, the US agreed to provide for further exclusions from the tariffs for EU exporters.

The extension will result in EU steel and aluminium exporters saving approximately €1.5 billion in tariffs annually. This prolonged suspension of tariffs gives businesses on both sides of the Atlantic certainty, facilitating the smooth flow of trade.



Trade and Sustainable Development

In June 2022, Minister for Enterprise, Trade and Employment Simon Coveney TD. made a submission to European Commission Vice President Valdis Dombrovskis regarding the Commission's Review of Trade and Sustainable Development (TSD). The review was focused on enhancing the contribution of EU trade agreements to protecting climate, environment and labour rights worldwide.

The European Commission's final action plan arising from the review was published in June 2022, in its Communication on "The power of trade partnerships: together for green and just economic growth". The Commission has been implementing the TSD Review and working on the identified actions, as appropriate, in recently concluded agreements, agreements already in force, and agreements under negotiation. For example, since the TSD Review, the EU has concluded new agreements with New Zealand, Chile and Kenya; all in a targeted and country-specific manner.

In 2023, Ireland continued to support the EU in its negotiations with third countries to ensure that we have robust and enforceable TSD provisions in trade agreements, taking into account the development position of our trade partners. Working with the EU, Ireland remained focused on advancing discussions in the WTO on trade and sustainability.

Investment Screening

Ireland actively participates in the European Union's Cooperation Framework for the screening of foreign direct investments into the Union. 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 provide reassurance to key trading partners that Ireland is a responsible global player, cognisant of the risks posed by certain types of investments.

This legislation is currently being considered by Parliament and it is expected that the mechanism will come into effect by the end of 2023. The development of an investment screening mechanism sits comfortably as part of the European Union's and Ireland's broader trade defence toolkit.

Export Control and Trade Sanctions

Ireland is fully committed to the multilateral, non-proliferation regimes, whose purpose is to support security and the Department of Enterprise, Trade and Employment rigorously implements EU and national Export Controls, which give legal and practical effect to the work of the regimes. In 2022, the Department completed the drafting of new national legislation to ensure that Ireland continues to operate a comprehensive and robust system for regulating the export of controlled goods.

The Department is also responsible for implementing UN and EU Trade Sanctions in support of international law and human rights. During 2022, the Department was responsible for implementing the trade measures in the nine packages of sanctions adopted by the EU in response to Russia's illegal and unjustified war of aggression against Ukraine, which were unprecedented in their breadth and sophistication.

7

The Department of Enterprise, Trade and Employment and its Agencies



Enterprise Agencies

The Department of Enterprise, Trade and Employment plays a key role in implementing the Government's policies of stimulating economic growth and capacity while creating an environment which supports existing jobs and new job creation. The Department also has a remit to promote fair competition in the marketplace, protect consumers and safeguard workers. The Department is assisted in implementing these policies by a number of Offices and Agencies. Working with two of these agencies, namely Enterprise Ireland and IDA Ireland, the Department's remit includes increasing and deepening export opportunities, and attracting foreign direct investment to Ireland.

Worldwide Locations



● Enterprise Ireland

● IDA Ireland

● Enterprise Ireland and IDA Ireland

Enterprise Ireland International Offices

Europe	Americas	Asia Pacific	Middle East & Africa
Amsterdam	Austin	Beijing	Abu Dhabi
Brussels	Boston	Ho Chi Minh City	Dubai
Budapest	Chicago	Hong Kong	Johannesburg
Copenhagen	Montréal	Kuala Lumpur	Riyadh
Dublin	New York	Mumbai	
Düsseldorf	Sao Paolo	Melbourne	
London	San Francisco	Seoul	
Lyon	Seattle	Shanghai	
Madrid	Toronto	Singapore	
Manchester		Sydney	
Milan		Tokyo	
Munich			
Paris			
Prague			
Stockholm			
Warsaw			

IDA Ireland International Offices

Europe	Americas	Asia Pacific
Dublin	Atlanta	Australia
France	Austin	China
Germany	Boston	Beijing
United Kingdom	Chicago	Shanghai
	New York	Shenzhen
	Seattle	India
	N California	Japan
	S California	Singapore
	Toronto	Korea

Enterprise Ireland is the Irish government trade and innovation agency, helping innovative Irish businesses go global. Enterprise Ireland supports ambitious, internationally focused Irish companies to grow, create jobs and achieve greater scale and global reach. In this way, Enterprise Ireland supports sustainable economic growth, regional development and secure employment. Resilient, internationally focused, and productive Irish enterprises are critical to the future growth of the Irish economy, supporting livelihoods and contributing to prosperity throughout Ireland.

Business is being transformed by drivers such as climate change, the accelerated adoption of technology, and changing trends in globalisation in ways that present both challenge and opportunity. To continue to succeed in changing times, Irish enterprises must be ambitious and pursue high growth strategies. They must invest in strengthening capability and competitiveness, respond quickly to changing consumer preferences, be flexible and open to changing business models, and innovate ahead of competitors.

Enterprise Ireland's 2022 – 2024 corporate strategy 'Leading in a Changing World' highlights three transformational imperatives for Irish enterprise development: climate action, digitalisation and innovation. Helping companies in these areas, through funding, advisory and capability measures is critical to ensure their resilience, strengthening their productivity and competitiveness and to delivering sustainable growth into the future. Differentiation through innovation is central to our clients' ability to win sales in international markets. We help clients target ambitious investment in innovation, working with our partners to develop a world-leading innovation system. We also enable deeper collaboration between clients and the national and international research community to enable them to access the capabilities, infrastructure, and finance available to boost their innovative potential.

Enterprise Ireland teams in Ireland and across our thirty-nine international offices work with companies to strengthen their capability to expand market reach, accelerate diversification, and deliver sustainable export growth. For Irish firms, their internationalisation is crucial to drive scale, and deliver long-term sustainable growth.

Enterprise Ireland's international office network provides market intelligence, insight and in-market

assistance. Market diversification remains critical to sustainable company growth.

Enterprise Ireland also helps companies to make strategic decisions and realise export growth opportunities in near and mature markets, or high growth markets, taking into account the company's stage of export development and product or service offering.

Enterprise Ireland's success relies on a deep understanding of the products, services, management companies and matching this with its intelligence of global and regional market demands and trends, and its knowledge of international buyers.

The trade missions and trade events programme in 2023, led by Ministers from the Department of Enterprise, Trade and Employment largely covered the UK, US, Eurozone, Northern Europe and Asia regions, and included attendance at influential international trade events, including Arab Health in Dubai and Singapore Fintech Festival.

The programme focuses on promoting the innovative capabilities and competitive offerings of Irish companies to international buyers in key sectors, such as Life Sciences, engineering, high-tech construction, ICT, and fintech.

In addition, Enterprise Ireland delivers a digital-led, strategic international communications programme to grow Ireland's international business reputation, presenting Ireland as a progressive and innovative business-focused country; a thriving ecosystem of R&D and innovation, producing industry-leading companies and innovations across every technology. Targeting the international business community and buyer segment groups, the campaign is effective in building Ireland's international business reputation and promoting sector capabilities and our clients.

IDA Ireland (IDA) is the agency charged with attracting foreign direct investment (FDI) to Ireland. IDA’s mission is to partner with multinational companies to win and develop foreign direct investment, providing jobs, economic impact and opportunity for the people of Ireland.

IDA client companies are concentrated in the sectors which drive the modern global economy: Technology, Content, Consumer and Business Services; International Financial Services; Biopharmaceuticals & Food; Medical Technologies; and Engineering & Industrial Technologies. The activities carried out in Ireland by IDA client companies are wide-ranging, constantly evolving and linked to how people work and live around the world in the 21st century.

IDA’s 2021-24 strategy, Driving Recovery and Sustainable Growth, maintains a focus on the FDI core sectors and the new opportunities that will emerge across them as business models evolve and technology advances. Implementation of the strategy is underway with considerable progress made against the headline strategy targets during 2021, 2022 & 2023.

IDA continues to partner with client companies to create jobs, locate in the regions, and invest in R&D, while adding a focus on investment in training and upskilling, and environmental sustainability.

There are now 1,832 IDA client operations directly employing 300,583 people in Ireland, accounting for 11.3% of total employment. This record level of

employment follows a period of staircase growth over the past 10 years.

In 2023, IDA secured 248 investments including 83 projects from new name investors coming to Ireland for the first time. The level of new name investments presents a vote of confidence in Ireland and a new level of future proofing of FDI. Growth in the Regions was particularly buoyant in 2023 with 132 of the 248 investments won (53%) going to regional locations.

The strength of Ireland’s FDI base is a core national asset that has a sizeable impact on the Irish economy and on society more broadly. Multinational Corporations (MNC’s) have played a key role in supporting economic activity, employment, exports and the public finances during the Covid19 pandemic. MNCs are a vital source of demand for Irish firms, with expenditure in the economy by FDI companies of €35.8bn in 2022. Of this, payroll spend increased 12% to €22bn and spend on materials increased by 10.2% to €3.3bn and spend on Irish Services increased 17.5% to €10.5bn. Capital Expenditure amounted to €15.5bn, up 49%, with the largest portion coming from large projects in Technology and Content, Consumer and Business Services (CCBS) sectors.

Impact of FDI on the Irish Economy



Resilience of MNCs evident in export performance

GOODS EXPORTS

Export growth for 2023 has eased as expected, as export-focused sectors such as chemicals, pharmaceuticals, and ICT goods normalise post-pandemic.

SERVICE EXPORTS

Services exports grew in 2023, with particularly strong growth seen in computer services, which account for approximately 58% of all services exports.

Employment growth was strong across all sectors in 2023, particularly in technology and content, consumer and business services companies as demand for the technologies and services that enable remote working and the digital economy increased.

Employment Growth across all sectors in IDA client base 2023

Working closely with colleagues based in Dublin, IDA Ireland's network of overseas offices continues to play a key role in attracting FDI into Ireland. The agency operates across four main geographies: North America, Europe, UK and Asia Pacific. IDA actively reviews its overseas presence to determine which markets could prove the most valuable sources of FDI in the medium term.

IDA Ireland has made significant progress in diversifying FDI source markets and increasing investments from non-US markets, while at the same time recognising the continued strategic importance of the US to FDI in Ireland. Of the 248 investment projects secured by IDA in 2023, 156 (63%) originated from North America, 68 (27%) from Europe and 24 (10%) from IDA "Growth Markets".

Minister for Enterprise, Trade and Employment, Simon Coveney TD. leads IDA Ireland and Enterprise Ireland Trade Mission to Chicago

Minister for Enterprise, Trade and Employment, Simon Coveney TD. led a joint IDA Ireland and Enterprise Ireland Trade Mission to Illinois, Indianapolis and Michigan, to boost trade relationships with key IDA client companies and promote world class Irish companies.

The objective of the mission was to:

- Promote Ireland's attractiveness as a location for FDI: This visit represented an opportunity to reiterate Ireland's global position as a stable location for investment and expansion despite economic headwinds and an ever-changing global environment for investment flows.
- Build relationships: The itinerary included meetings with representatives and decision makers from some of the largest multinational employers in Ireland.
- Promote transformation, sustainability & RDI: In line with the government's White Paper on Enterprise this visit helped advance Ireland's FDI and trade value proposition, promoting transformation, sustainability and RDI with some of our largest client companies.
- Showcased sectors that are important to Ireland: This visit offered an opportunity to meet with some of the world's largest Pharmaceutical and Medical Device companies and reiterate why they should continue to grow and invest in Ireland.

Minister for Enterprise, Trade and Employment, Simon Coveney TD., said: "The USA is an important trading partner for Ireland and the Mid-West region is strategically important particularly for medtech, pharmaceuticals, healthcare, FDI and education. In 2022, Enterprise Ireland and the IDA delivered strong growth in North America, with Enterprise Ireland client exports reaching a record €5.5bn, up 13% on the previous year, and the IDA securing 167 investments from North America. The trade mission will look to consolidate and grow these figures for the Irish economy."

IDA Ireland CEO, Michael Lohan said: "The Midwest US is home to many leading companies across all sectors and is particularly strong in Life Sciences. This trade mission includes meetings with decision makers from some of the largest, most innovative multinational employers in the life science sector in Ireland. This visit gives IDA an opportunity to reiterate Ireland's global position as a stable location for investment and expansion despite economic headwinds and an ever-changing global environment for investment flows. This week is about deepening our relationships at the highest levels and making the case for Ireland to win new business from these leading companies."

Prepared by the Department of
Enterprise, Trade and Employment
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Government of Ireland