

**Introductory Remarks by Ambassador David Donoghue, Permanent Representative of
Ireland to the UN**

UN Department of Economic and Social Affairs Seminar

Impact and Measurement of Economic Globalisation

29th November 2016

I was very glad when I learned that UN DESA wanted to partner with the Permanent Mission of Ireland in organizing this morning's seminar on a subject of very considerable and growing importance: *The impact and measurement of economic globalisation*. A high-quality panel of speakers has been assembled, with augurs well for an in-depth look at some of the major issues involved.

By an interesting coincidence, the idea for this seminar was first mooted on the day that Thomas Friedman, that noted interpreter of economic globalisation, gave an address to a joint meeting of the Economic and Social Committee (ECOSOC) and the Second Committee.

In his newly published book *Thank You for Being Late* Friedman recounts how “for a long time many economists insisted that globalisation was simply a measure of trade in physical goods, services and financial transactions.”

But in his view “that definition is way too narrow” and he argues that, really what globalisation means is “the ability of any individual or company - and I note that he does not mention “country” - to compete, connect, exchange, or collaborate globally”. He adds that, “by that definition, globalization is now exploding”. It shows how important the theme of today’s event is.

The morning’s proceedings are divided into two parts, a policy segment and a measurement segment. Within the new paradigm that is the 2030 Agenda we need - perhaps more than ever before - to try to “marry” these two perspectives and hopefully the discussions this morning will help us along that road.

I would like to say a few words about Ireland’s experience of economic globalisation. Ireland is a geographically peripheral island, at the edge of a continent and with a large ocean beyond. We have a relatively small population and therefore a limited domestic market for what we produce. We are not overly endowed in natural resources.

The lesson of Ireland’s economic history is that when we opened up to the world – attracting foreign investment, building up our trading relationships and supporting Irish businesses to internationalise – we achieved greater economic security and thus a truer expression of our national independence.

That Ireland is today a prosperous country is largely made possible due to globalisation. Today Ireland is one of the most globalised economies in the world. We ranked second in the KOF globalisation index in 2016 and first in 2015. This prosperity provides employment and economic well-being to our citizens but also provides the resources to government to supply the necessary services, infrastructure and investments in order to look after all our people and to progress along our path of sustainable development.

To succeed as a globally-focused economy Ireland has had to transform from an introverted and largely agricultural economy into an advanced and highly globalised economy. This has been achieved through investing in our young, highly skilled and multilingual talent pool and establishing a pro-business environment together with a stable and competitive corporation tax regime with incentives for research and development.

The footprint of globalisation is very visible in the Irish economy. Over 3,300 foreign-owned companies have put down roots in Ireland including many of the world's most successful global businesses. These companies directly support approximately 200,000 jobs in Ireland.

Trade constitutes an increasingly important means of creating more and better jobs and has been a key factor in Ireland's export-led recovery. Exports and manufacturing output are now at all-time highs. In 2015 the value of exports from Ireland reached an all-time high of almost €234 billion, which was an 18% increase on 2014. Goods exports increased by 21% to €112 billion, and services by 15% to €122 billion.

Globalisation fosters exports and reductions in production costs. Irish indigenous companies are increasingly focused on overseas markets and exports from these companies also increased strongly in 2015 and continue to do so again this year.

The platform for this success has been our membership of the EU with access to a market of 500 million people. This has been projected globally by some 53 Free Trade Agreements between the EU and other trading blocs and by membership of the World Trade Organisation. EU negotiated Free Trade Agreements serve to open new markets for Irish companies and break down red tape and other barriers to trade and investment.

Free Trade Agreements seek not only to increase the efficiency and value of trade, but to develop shared values for cooperation and business. Thus they also act as powerful mechanisms to bind nations

together, generate regional development and encourage mutually beneficial trade, investment and prosperity.

At a national level Ireland has developed a strong network of double taxation agreements – all of which remove or reduce trade barriers, facilitate global connectivity and enable global commerce.

We are aware of the need for market diversification and penetration to mitigate the concentration of our trade and build economic resilience.

We remain profoundly committed to trade liberalisation and the European project despite the anxieties and uncertainties surrounding it.

Looking beyond Ireland, our development co-operation programme, which lies at the heart of our foreign policy, recognises that economic globalisation including international trade can play a major role in the promotion of economic development and the alleviation of poverty.

With growing levels of trade, inward investment and domestic revenue, many developing countries are becoming less reliant on aid and are generating the resources they need to tackle issues of underdevelopment themselves.

However we recognise the challenges of economic globalisation and the need to provide support to reap its benefits. Ireland provides support to the major international organisations involved in trade-related technical assistance and capacity building. These include the

World Trade Organisation; the independent Advisory Centre for WTO law; the International Trade Centre and the United Nations Conference on Trade and Development. We also support a number of programmes of the World Bank Group aimed at stimulating private sector development.

The 2030 Agenda for Sustainable Development acknowledges both aid and trade as means of implementing the Sustainable Development Goals. Just over a year ago, in October 2015, the European Union adopted its new trade policy, which promotes EU values of social and environmental sustainability together with economic development, both in the EU and its partners, in particular developing countries. As the EU and its Member States work on revising their 2007 joint Aid for Trade Strategy, the challenge in the years to come will be to articulate and use both aid and trade more strategically to leverage impact.

I hope these remarks will provide some food for thought as we embark on our discussions this morning.

ENDS.

