

— IRELAND —

The Emerald Isle

TEXT International Affairs, Chamber of Commerce

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Ireland

Facts & figures

Political capital: Dublin

Top Business cities: Dublin, Cork, Limerick, Galway

Business currency: Euro (EUR)

Working days: Monday – Friday

Time-lag with Luxembourg: -1h00

Languages: Irish (Gaeilge), English

Main airports: Dublin Airport, Cork Airport, Shannon Airport, Ireland West Airport Knock

Population: 5,275,000 (2022 est.)

Surface: 70,273 sq km ((27 times the surface of Luxembourg)

GDP per capita: \$106,000 (2021 est.)

Unemployment rate: 4% (January 2023 est.)

Inflation rate: 8.2% Annual Change (2022 est.)

Growth rate: 13.6% Annual (2021 est.)

Main economic sectors: high-tech, life sciences, financial services, agribusiness

Let's pretend for an instant that Pink Floyd's David Gilmour had the grounded and profound relations between Luxembourg and Ireland in mind when singing "Green is the Colour" in 1969. After all, reasons to do so would have been plentiful: Ireland has lush rolling green hills and Luxembourg leafy forests and grassy valleys. Ireland is the so-called Emerald Isle whereas Luxembourg is commonly known as *The green heart of Europe*, both countries have similar ambitions to rapidly reach their sustainability goals, and the list goes on...

Psychedelic space-rock music analogies aside, Ireland and Luxembourg share an excellent and long-lasting relationship that spans over politics, culture, trade and religion (did you know that the Abbey of Echternach was founded by an Irish monk?) throughout centuries.

Ireland and Luxembourg have a strong and friendly relationship, characterized by close political and economic ties. Both countries are members of the European Union and share a commitment to the ideals of the EU, including free trade, open borders, and common foreign policies. Ireland and Luxembourg have also cooperated on several initiatives aimed at promoting economic growth and stability in Europe and have worked together on issues related to tax and financial regulation. But what are the economic opportunities for Luxembourg companies on the United Kingdom's neighbouring isle?

An Economic Overview

In 1973, Ireland was a relatively poor country located on the periphery of a 9-member-state-large European Union it had then just joined, with a GDP per capita just under two-thirds of the European average. In addition to its entry into the internal market, its strong international openness - supported by an attractive fiscal policy - allowed the country's economy to develop at an accelerated pace, with an average growth rate of 8% between 1993 and 2006, a period

which earned it the nickname of "Celtic Tiger". Forced by the financial crisis of 2008 to restructure and recapitalize its banks with the help of international financial institutions, Ireland implemented fiscal consolidation measures, gradually returning its economy to growth and positive employment dynamics, which to some extent armed it for the next challenges to come.

Over the span of the two last years, Ireland has dealt with the pandemic, was confronted with Brexit and, more recently, the effects of the Russian invasion of Ukraine. However, despite all the adversity, the economy has proven itself to not only be resilient, but also successful due to the growth of exports by Ireland-based multinationals in the tech and chemical-pharmaceutical industry, boasting growth rates of 5.9% in 2020 and 13.6% in 2021.

Why Ireland?

Luxembourgish companies looking to expand their operations into new markets should consider Ireland as a destination. With its strong and fast-growing economy, favourable business environment, highly educated workforce, pro-business culture and a supportive regulatory regime that encourages entrepreneurship and innovation, Ireland offers many advantages to companies looking to do business beyond Luxembourg's borders.

The financial services sector is a key component of the Irish economy, employing approximately

Dublin, Ireland



50,000 people. Major international banks, insurance companies, and asset management firms have established operations in Ireland, making it one of the leading centres for financial services in Europe, alongside the Grand Duchy of Luxembourg. Information Technology is another key sector in the Irish economy, attracting some of the world's leading tech companies such as (but not limited to) Alphabet, Apple, Facebook, Intel and Microsoft. This sector currently employs over 100,000 people. The Pharmaceutical sector is also a significant contributor to the Irish economy, with many of the world's largest pharmaceutical companies operating in Ireland. The country has a well-established reputation as a hub for drug development and manufacturing, and benefits from a highly educated and skilled workforce and world-class research institutions. Other notable sectors of Ireland's economy are engineering, green economy, the creative industries and business services.

The neighbour's grass is always greener

The previously frictionless trade between the United Kingdom and the European Union has become somewhat challenging after the UK's withdrawal agreement came into force in 2020. Ireland and Luxembourg could try to turn this crisis into an opportunity by substituting the impeded flow of goods and services previously traded over the Irish Sea, by taking advantage of the common single market. The logistics/maritime sector is only one of a few notable sectors that increased its activities in the post-Brexit context (see CLdN interview), opening the port for other sectors to dock onto the trend. Another silver lining of Brexit is that the approximately 300 Luxembourg nationals (professionals and students) residing in Ireland will in the future no longer need to travel to London for consular issues as Luxembourg opened its embassy in Dublin last year.

Go International

It is in the context of the first National Day reception of the Luxembourg Embassy to Ireland, and with the aim of strengthening the ties between the two countries and their respective business communities, that the Luxembourg Chamber of Commerce will be organizing an official trade mission to Dublin from June 12th to 14th, 2023 led by the Luxembourg Prime Minister Xavier Bettel as well as Yuriko Backes, Minister of Finance. Visit www.cc.lu/agenda/gointernational to register or to enquire for more information on the trade mission.

Useful contacts

Luxembourg Chamber of Commerce

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Embassy of the Grand Duchy of Luxembourg in Dublin

While renovations are currently still underway on the new Embassy premises on Mespil Road in Dublin, please contact the Embassy via ☎ dublin.amb@mae.etat.lu



Michel Cigrang
Director, CLdN RORO

«Après le Brexit, nous avons beaucoup densifié notre trafic vers l'Irlande.»

Quelles sont vos activités et vos relations actuelles avec le marché irlandais ?

CLdN est un groupe de transport maritime et de logistique intra-européen. Nous assurons la logistique par nos navires RORO (*Roll on -Roll off, soit des navires dotés d'une rampe d'accès, ndlr*). Nous opérons ainsi plus de 140 départs par semaine. Nous exploitons un certain nombre de terminaux maritimes en Europe et nous assurons une partie de la logistique terrestre avec des semi-remorques. C'est ce type de services que nous proposons vers le marché irlandais (Dublin et Cork), avec 9 départs par semaine depuis Zeebrugge ou Rotterdam. Nos clients sont des transporteurs européens qui réservent des places sur nos navires.

Quelles opportunités le marché irlandais représente-t-il pour vous ?

Après le Brexit, nous avons beaucoup densifié notre trafic vers l'Irlande. Auparavant, la grosse majorité des cargaisons transitait par l'Angleterre. Nous avons créé une liaison directe entre l'Union européenne et l'Irlande, ce qui permet d'éviter les démarches administratives lourdes liées à la sortie de la Grande-Bretagne de l'Union européenne. Grâce au transport sur navires RORO, nous garantissons des délais de livraison beaucoup plus précis et avec plus de fréquences.

Quels risques ou difficultés rencontrez-vous sur le marché irlandais ?

Spécifiquement pour nous, la principale difficulté est la capacité limitée du port de Dublin. Nous devons donc chercher des solutions avec d'autres ports irlandais. Nous avons racheté l'année dernière un opérateur anglais, Seatruck, qui est actif entre la Grande-Bretagne et le nord de l'Irlande. En sachant que Dublin reste très important pour les importations, notre expansion irlandaise nous permet d'étudier d'autres possibilités d'augmenter la capacité requise à terme.

Quels conseils donneriez-vous aux entreprises qui voudraient travailler avec l'Irlande ?

Mon principal conseil est d'avoir sur place de bons agents locaux. Rien de tel qu'un Irlandais pour faire affaire avec les Irlandais. C'est une communauté soudée dont il faut connaître les codes. C'est donc la meilleure solution pour pénétrer ce marché. Nous avons ainsi un réseau de représentants, spécialisés en transport maritime, qui vendent nos services sur place.