
VIII. IRELAND

The Republic of Ireland is a small country on the periphery of the EEC. The population totals some 3.5 million of which 50 per cent is under the age of 25. There is a growing educated youthful labour force, with a lifestyle similar to that in the U.K.

Despite recent discoveries of metallic ores and gas, and signs of oil in Irish waters, Ireland is heavily dependent on international trade, particularly with the U.K. and the United States, as well as with the remainder of the EEC.

At its present stage of industrial development, Ireland must import almost all machinery, raw materials and materials for further production, with some exceptions such as animal feed, milk and meat. As the industrial sector expands, a growing proportion of its output must be sold abroad and a higher proportion must be imported. Transportation costs and inadequacies in infrastructure, especially road transport, add to these industrial costs. As a result of an extensive investment program, telecommunications services (digital switching, fibre-optic links, etc.) are now good. Any disadvantages have been offset, first, by incentives which have increasingly taken the form of grants toward the cost of industrial investment, the training of workers and the development of export markets and second, by relief in the form of lower corporate tax rates on industrial firms, or accelerated depreciation allowances.

Because of Ireland's extensive dependence on imports, distributors and agents are well established in virtually every product sector, especially for EEC manufacturers. Historically, many products reached the Irish market through U.K. distributors. However, due to the recent and rapid expansion of Ireland's trade and contacts with EEC members, the advantageous position once enjoyed by U.K. distributors is eroding significantly. This is partly due to Ireland's move to the European monetary system, which ended the long-standing parity between the Irish and U.K. pounds.

Canadian exports to the Republic of Ireland in 1988 were C\$215 million. These exports represent all sectors, industrial as well as resource and agriculture. By order of importance, exports are aircraft and parts, computers and parts, telecommunications equipment and parts, lumber, wood