

Opening Address – Minister Mitchell-O’Connor

Africa Ireland Economic Forum, Convention Centre Dublin, 17 June 2016

Ambassadors, distinguished guests from Africa and Ireland, ladies and gentlemen

I welcome you all today for the fifth Africa Ireland Economic Forum.

My colleague, Minister for Foreign Affairs and Trade, Charlie Flanagan, who has responsibility for development aid and trade promotion, cannot unfortunately be here today.

However, I am delighted to be here with you, given my responsibilities for trade policy, both at EU level and at the WTO.

In fact, it was only last December that the first WTO Ministerial in Africa took place in Nairobi.

My congratulations to Kenya for hosting and chairing a successful meeting.

The first Africa Ireland Economic Forum was held back in 2011.

This was part of a new strategy, developed by the Department of Foreign Affairs.

It committed to a broadening and deepening of relations – already particularly strong in the area of development – to include enhanced trade, investment and political links.

Back in 2011, travelling to the Forum directly from the African continent was not possible.

One year ago, Ethiopian Airlines introduced a direct service between Addis Ababa and Dublin. Now, 16 Ethiopian Airlines flights transit Dublin every week.

This new connectivity symbolises the closer, more strategic and multi-dimensional set of partnerships between Ireland and Africa.

A further example was the co-chairing last year, by Ireland and Kenya, of the final inter-governmental negotiations at the UN.

This led to a historic agreement on the Sustainable Development Goals.

The SDGs set bold and universal priorities for the period to 2030, with a view to ending all forms of poverty, fighting inequality and tackling climate change.

The UN estimates that attaining the Goals will require additional investment of some US\$2.5 trillion per annum across key sectors.

Official Development Assistance will remain important.

But unlocking this level of investment is only possible if the private sector can work alongside Governments and civil society to deliver solutions.

As UN Secretary General Ban Ki-moon commented at a private sector forum on the global goals last September, *“Governments must take the lead in living up to their pledges. At the same time, I am counting on the private sector to drive success”*.

In looking at potential business in Africa, there are exciting opportunities for innovative Irish companies to align with the Sustainable Development Goals.

This will make a real contribution to ending poverty and building inclusive and sustainable economic growth.

We in Ireland have come a long way since the first Africa-Ireland Economic Forum was held in 2011. In 2011, Ireland was in an EU-IMF bailout programme.

Last year, Ireland had the fastest growing economy in the EU, with growth in GDP of 7.8% and exports continuing to play a central role in driving the Irish economy.

However, strong and resilient export growth will depend on continuing geographic market diversification.

We see strong economic relations with Africa as part of that overall approach – now and into the future.

There are many in the room today more qualified than I to talk about the economic situation in Africa.

However, I think it is fair to say that the buoyant “Africa rising” narrative of a few years ago has been tempered somewhat by the turbulence wrought by falling commodity prices.

That said, there are some very important points we should bear in mind when looking at the economic situation in Africa and opportunities for Irish business.

First, Africa is a diverse continent of 54 countries. In Africa, as in Europe, there is more than a single, simple economic narrative.

An overall picture of lower growth masks the fact that some individual African economies are continuing to perform very strongly – such as Kenya and Tanzania, to name but two.

Second, a consequence of the reduction in commodity prices is that African countries will have to move more swiftly to diversify their economies and sources of revenue. This shift could see new opportunities opening up in areas of strength for Irish businesses.

An example is the agriculture sector, where many African countries are still achieving well below their potential, particularly in relation to agro-processing.

And third, despite risks and challenges in the immediate term, there is a general consensus that the underlying drivers of growth in Africa continue to be in place. This provides grounds for optimism over the medium to longer term.

So what developments have we seen in Ireland-Africa economic relations since that first Forum back in 2011?

Two-way trade between Africa and Ireland, including in goods and services, increased by about one third between 2010 and 2014.

When we break that down and look at Ireland’s exports to Africa, we can see strong performance, albeit from a low base.

Merchandise exports grew from €1.1 billion in 2010 to €1.5 billion in 2015. Service exports have performed particularly well, standing at €1.8 billion.

Under the auspices of my Department, our Agency, Enterprise Ireland has a strategy for the sub-Saharan Africa region.

This envisages growth in Irish-owned exports to sub-Saharan Africa from €550 million in 2014 to €1 billion in 2018.

And Irish companies aren't just exporting, they are also investing.

They are contributing to the job creation which is so crucial to meeting the needs of a rapidly growing youth population.

The largest refrigerated plant in Africa was built in South Africa by an Irish meat company, QK Meats.

A Limerick native co-founded Zambeef, one of the largest integrated agri-businesses in Zambia. And agri-tech company Devenish will share its experiences this afternoon of investing in the pig sector in Uganda.

When we look at Africa's exports to Ireland over the past five years, however, the picture is somewhat mixed.

While the overall volume of exports from Africa to Ireland has increased slightly over the five year period, the *value* has fluctuated widely, largely due to the fall in global commodity prices.

The keen and growing interest of Irish companies in doing business in Africa was exemplified late last year during the largest ever Irish trade mission to West Africa.

Led by then Minister for Agriculture, Simon Coveney, the mission travelled to Nigeria and Ghana and included 42 Irish companies, spanning a range of sectors.

A further very successful trade mission to South Africa took place in May last year.

This was led by Minister Charlie Flanagan, with 34 Irish companies participating.

Economic relations between Ireland and Africa are moving in the right direction but I believe we need to be more ambitious.

This is not just about harnessing opportunities that are there right now.

It is also about positioning ourselves as trade and investment partners over the longer term.

Ireland's Embassies in Africa have all geared up significantly to support trade and investment.

Deep contextual understanding and extensive networks of contacts have been built up through decades of development cooperation. These are being leveraged to support and enhance economic engagement.

At the time of the last Forum in 2014, our Embassy in Nairobi was just being reopened.

Thanks to our active presence on the ground in Nairobi, we have a strong delegation from Kenya at today's Forum.

The delegation has spent this week developing an understanding of Ireland's agri-food sector and exploring opportunities for business and partnership.

Earlier this year, Minister Flanagan announced the elements of a new Economic Diplomacy Strategy.

This aims to equip our Embassy network with the resources and autonomy to become active business hubs for our exporters.

In that context, an Economic Development Officer has recently been hired in our Embassy in Abuja and indeed joins us at the Forum today.

I also understand that an Economic Development Officer based in Nairobi, and with a regional remit, will be recruited shortly.

The Embassy network works closely with Enterprise Ireland in pursuing market opportunities overseas.

In Africa, Enterprise Ireland has an office in South Africa and representatives in Nigeria and Kenya.

Brendan Flood from EI will speak during the panel discussion later this morning about Enterprise Ireland priorities for Irish companies.

Of course, when exploring new markets, businesses like to hear and learn from other businesses.

Business Ireland Africa is a business network with chapters in Johannesburg, Cape Town, Durban, Harare and Nairobi.

As of last night there is now one in Ireland.

It aims to promote both Irish business in Africa and business by African companies in Ireland.

The chapter in Ireland is now open for membership applications.

I am delighted that the Chair, Andrew Woods, and members of the Committee are with us today.

Ladies and gentlemen,

a further dimension of Ireland's economic engagement with Africa is the Government's work with the International Financial Institutions.

They play a key role in stimulating economic development in Africa.

I am particularly delighted that Charles Boamah, Vice President of the African Development Bank, will share his perspectives on economic developments in Africa and the priorities of the Bank.

The World Bank has long been one of Ireland's key multilateral partners in promoting economic growth and private sector development.

We have made significant financial contributions over the years to successive replenishments of the International Development Association.

That is the World Bank's concessional lending arm.

Ireland now hopes to expand our membership of International Financial Institutions.

In this regard, the Department of Finance, together with the Department of Foreign Affairs and Trade, are in ongoing discussions about possible membership of the African Development Bank.

Ireland is, of course, also part of the EU's international development efforts.

That is by way of our contributions to the European Development Fund and to the EU budget for development assistance.

I would encourage Irish Companies to note a joint project between the Department of Foreign Affairs and Trade and IBEC called *Winning Business in Africa*.

The project has involved the development of a web portal for Irish companies.

This is to access early information on the €30.5 billion worth of projects which will be funded by the European Development Fund over the period 2014-2020.

I am delighted that the portal is now open for all Irish companies to register.

The focus of this Forum is on generating business to business links and mutually beneficial economic opportunities.

However, I should recall that the Irish Aid programme will remain a key pillar of Ireland's engagement with Africa into the future.

And the Government is firmly committed to the principle that this aid will remain untied.

Many of the countries in which Ireland has implemented bilateral aid over decades have experienced strong economic growth. However, there are still challenges to ensure that this growth is inclusive and resilient.

Success in attaining the Sustainable Development Goals will not be determined by economic performance.

It's whether we have collectively delivered upon the core principle of the 2030 agenda to "leave no one behind".

The very serious drought provoked by El Niño in the Horn and Southern Africa is also a stark reminder. We will make best efforts to build strong economies and the resilience of communities.

However, we will continue to face crises of a scale that require a concerted international response.

Ireland stands with our African partners in responding to the devastating effects of El Niño.

We welcome the recent appointment of Mary Robinson as UN Special Envoy on El Niño and Climate.

We had a very positive development in EU-Africa trade relations last Friday.

That was the signature of the Economic Partnership Agreement between the EU and the six countries of the Southern African Development Community.

We hope that signature of the Agreement with the East African Community will take place in the coming weeks.

Likewise, we look forward to completion of the ongoing signature process of the Agreement between the EU and West Africa.

I warmly welcome the participation in this Forum of the Secretary General of the Parliament of the Economic Community of West African States.

These trade and development agreements take account of the socio-economic circumstances of the African countries.

They aim to better integrate African countries into the global trading system, increase African exports and stimulate investment.

In conclusion,

Ladies and gentlemen,

I mentioned at the outset the Ethiopian Airlines story.

The steps bringing you onto the plane have been manufactured by an Irish company, Magellan.

The material on your seat has been produced by an Irish company, Botany Weaving.

If you choose to watch a film or listen to music it, the inflight entertainment system has been supplied by an Irish company, Inflight Dublin.

And there is also a chance that the aircraft itself has been leased through Ireland.

This story, for me, vividly illustrates the new frontiers that are opening up in Ireland-Africa economic relations.

As businesses, and as Government, we must be alert to new opportunities in a dynamic and vibrant continent.

Today's Forum provides an excellent opportunity to explore those opportunities and I wish it every success.

Thank you