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Why Ireland's exports to Asia seem to be insulated

IRISH small and medium-scale enterprise exports to Asia seem to have been insulated from the effects of the regional economic problems last year, owing to their concentration in certain niche markets in the high-technology sector.

The sectors which include software, telecommunications and electronics have created new business opportunities for Irish companies to offset any lost sales, Irish Trade Minister Tom Kitt said.

"About seven per cent of all Irish SMEs exports are sold in the Asian region and are worth an estimated 580 million Irish pounds (RM2.971 billion) annually.

"While we do not as yet have detailed SME export figures for the Asian market for 1998, feedback from our client companies in the region suggest overall that they have not been affected by the downturn," he told the New Straits Times.

Malaysia, Kitt added, was not only Ireland's leading market in the Asean region but also ranked among the top 15 export markets for Ireland.

"Trade between Ireland and Malaysia has grown significantly in recent years. Despite the difficult trading conditions in Asia last year, Irish-Malaysian trade continued to show growth, though at a modest two per cent.

"However, it should be noted that Irish exports to Malaysia last year were nine times the figure for 1992 when Prime Minister Datuk Seri Dr Mahathir Mohamad visited Ireland. (Export figures: 28 million Irish pounds in 1992 compared to 255 million Irish pounds in 1998).

Kitt is in Malaysia to attend Asia's premier business-matching event for Asian and European SMEs "Asia Interprise '99" which begins in Penang today.

Ireland's recent industrial experience he said, was "highly-relevant" to doing business in Malaysia.

"Over the past 30 years, Ireland has transformed itself from a producer of agricultural commodities into one of the most vibrant export-led economies with a diversified portfolio of products and services emphasising newer technologies."

Attractive incentives, he added, had brought over 1,000 international corporations to Ireland to establish manufacturing operations in the country, resulting in a surge in Irish SMEs excelling in areas such as electronics, engineering, software, telecommunications and food production.

"A primary consideration in assessing the potential of Irish and Malaysian partnerships is the obvious need to be fully aware of the short-term difficulties in the market while taking a longer view at the same time."

This approach, he added, applied in general to the Asian market where Irish companies were investing in developing a strong market presence for the future, rather than having expectations of immediate returns.

In stressing the importance of strategic partnerships, Kitt said:

"Malaysia is not only a major market in itself for Irish businesses but is also an excellent location in developing business opportunities in the Asian region.

"Correspondingly, Ireland is the ideal gateway to the markets of Europe."

"Many Malaysian companies are already highly-experienced marketing

players throughout Europe.

"Partnership with experienced, leading-edge Irish companies with proven excellence and performance in Europe is a potentially winning formula for the new millennium," Kitt said.

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