

Interview Cliona McGowan

Managing director, France Ireland Chamber of Commerce

Friend or foe? How will Ireland and France proceed in the post-Brexit world?

As France celebrates Bastille Day, it's eyeing taking business from the post-Brexit UK – rivalling us. But strong trading ties between our two nations may help delicate negotiations, writes Sean Duffy

FRANCE is seen as one of Ireland's main competitors for attracting foreign firms who are assessing their options after the Brexit vote.

Last week the French government made initial overtures to multinational firms, saying it would offer extended holidays to executives, allowances for school fees, and significantly, said it would speed up the licencing process for firms willing to relocate there.

Competition for firms based in Britain has the potential to spark some friction between the French and Irish governments over the next couple of years.

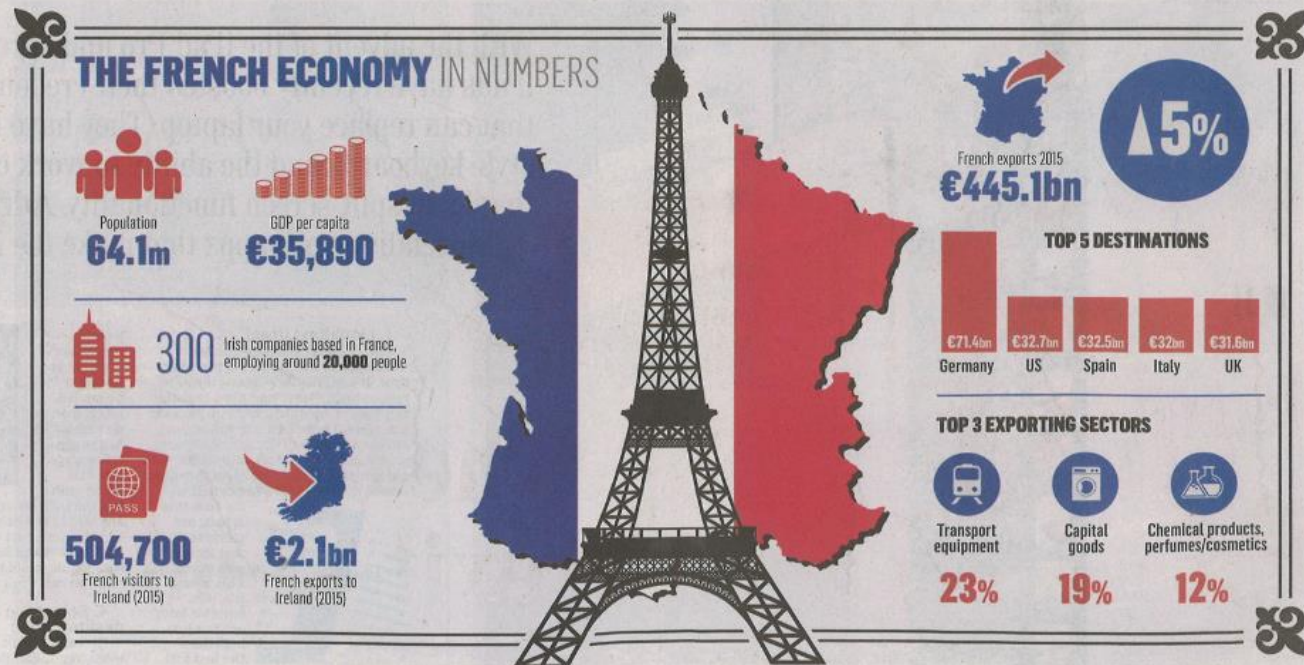
Ireland holds an advantage from a tax standpoint; our 12.5pc corporation tax rate is markedly lower than the 33.3pc charged by the French authorities. However it is clear that the French are

Commerce (FICC). Members include Smurfit Kappa, BNP Paribas and French utilities firm Veolia. The FICC was set up to support bilateral trade between France and Ireland. According to Cliona McGowan, managing director of the FICC, the relationship is going from strength-to-strength.

"There is continuing development in the relationship between the two countries each year. On a day-to-day basis, we have hired seven new staff this year at the FICC so things are picking up all the time. This year we added 20 new companies to the FICC, 50pc of which were French companies."

The FICC has been building relations between Ireland and France for over 30 years, and Ms McGowan believes the present climate represents a key opportunity to make the relationship even stronger.

"Collaboration has



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already putting packages in place that could attract interest away from Ireland.

Ireland's corporation tax arrangements have been the subject of criticism from France in the past, with the former Fianna Fáil government coming under pressure to raise the tax rate for multinationals during the country's bailout negotiations with the EU and IMF.

Former French President Nicholas Sarkozy caused consternation in 2011 when he suggested that Ireland should not receive any European funds for a bailout unless the government here were willing to change its stance on taxing corporates.

That notion was given short shrift by the government at the time, with Ireland eventually securing bailout money, albeit with painful conditions attached.

That issue now appears to be off the table as governments from across the continent scramble to scoop up foreign firms currently based in the UK.

However Ireland should tread carefully in the negotiations, due to France's position as an important trading partner. Trading between Ireland and France rose to €8.9bn in 2015, up over €500m on the previous year.

A key factor in fostering good relations between the two countries is the France Ireland Chamber of

always been strong and will continue to be strong. There is a willingness on behalf of both governments to make sure that strong bond continues. President Hollande will visit Ireland this year and the Taoiseach has visited Paris on a

'Collaboration has always been strong and will continue to be strong,' says France Ireland Chamber of Commerce's Cliona McGowan

number of occasions. I think that underlines how important both sides see the relationship," Ms McGowan said.

The FICC is currently conducting a survey of its members which will

ascertain how the UK vote will affect companies. "We will use the survey of our members as a starting point to see how Brexit is likely to affect our members. It will be an initial reaction to gauge how companies

are feeling," Ms McGowan added.

The France Ireland Chamber of Commerce currently has 150 members under four brackets; patrons, corporates, SMEs and start-ups.

At present, there are 300 Irish companies operating in France, providing 20,000 jobs. That was an increase of 80 companies and 4,000 jobs over the course of 2015, underlining France as an increasingly popular destination for Irish firms.

IT firms account for 33pc of all Irish companies in the country, while construction companies made up 27pc of Irish firms based there.

Last year Enterprise Ireland announced a number of new deals between the two countries.

Former jobs Minister Richard Bruton embarked on a trade mission which included meetings with over 100 French companies around the St Patrick's Day celebrations in 2015.

This week French multinational Veolia announced a deal which that will see it upgrade the Ballymore Eustace water treatment plant which serves the greater Dublin area.

Niall Gleeson, managing director at Veolia Ireland said: "We will be able to assist in ensuring the greater Dublin areas needs are met now and into the future."

