

Ireland- Canada Trade Relations

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Thank you, Chairman, and committee members for the invitation to address the Ireland Canada Trade relations. I am Jackie Gilna and appear here today in my role as founder and Chair of the Ireland Canada Business Council, hereafter referred to as the *ICBC*. My primary role is founder, and CEO at We Are Global Irish. I am joined today by Jonathan O Hara Co-Chair, International Trade Group, at McMillan LLP Toronto, who will address the committee shortly on two key sectors.

The ICBC is a non-for-profit organization (2022) that facilitates cooperation between Irish business organizations across the regions of Canada. Our purpose is to support Ireland trade and investment strategies, identify challenges and, act as the national voice of Ireland -Canada business interests to both governments. The Board of Directors comprises of representatives from the Ireland Canada Chambers in Ottawa, Toronto, Vancouver, Montreal, and the Ireland Alberta Trade Association. It is worth noting that we are volunteers. We enjoy a productive relationship with our Diplomatic Mission state agencies Enterprise Ireland, IDA, and Tourism Ireland. I take this opportunity to thank them for their unwavering support and help.

I will begin by outlining the size of the Irish abroad and diaspora community in Canada, the historic and trade connections between the two countries, from the Irish abroad lens. I will speak about the importance of trade officers, consular offices, state agencies and the challenges across the regions.

The Irish and those who identify with Irish DNA in Canada are about 10 million, twice the size of the population of the island of Ireland. The ties that bind the two countries stretch back centuries and are rooted in historical, cultural, and diasporic connections. Irish immigrants played a significant role in shaping Canada's history, are the foundation of its society and the basis for the development of bilateral trade and economic collaboration. The Irish represent the fourth-largest ethnic group in Canada. Our relationship runs deep, and Ireland is considered one of Canada's most aligned partners in the European Union.

Canada and Ireland are parties to several bilateral treaties, including the Agreement on Social Security (1992), the Canada-Ireland Income Tax Convention (2005), and the Audiovisual Co-Production Treaty (2016) and the most recent CETA.

Provisional application of CETA has seen goods exports to Canada increase from €936 million in 2016 to more than €3.3 billion in 2022, while services exports grew from €1.44 billion in 2016 to more than €2.8 billion in 2021 (latest available figures). These figures demonstrate the benefits of CETA and trade agreements.

The Ireland Canada Business Association has decades of excellent work dedicated to Ireland-Canada trade relations. We understand there are currently over 15,000 people employed by Canadian companies in Ireland and 75 Canadian companies operating in Ireland. The sectors and economic values are available through government online sources.

And now to two key elements of the relationship [Bilateral Trade](#) and [Related Links](#)

Trade relations are driven by the many advantages Ireland offers for Canadian companies. Ireland is promoted as the only English-speaking country in the euro zone and the most agile base from where to access the European market. Ireland's skilled workforce, corporate tax, FDI policy, supportive incentives and increasing direct flights from Canada, add to a growing awareness among Canadian companies looking to access new markets. Supporting future growth is critical to the trade relationship. Not one size fits all and Canada focused strategies and building out robust partnerships are critical to continued growth.

The [National Planning Framework](#) (NPF) and the [National Development Plan 2021-2030](#) (NDP) which combined form Project Ireland 2040. The NPF lays out the vision and strategy for Ireland's development to 2040. The NDP sets out the enabling investment to implement that strategy. Project Ireland 2040 with a 10-year €116 billion capital investment plan, new National Planning Framework to enhance regional connectivity and competitiveness, and improve environmental sustainability are, according to the Irish government, the elements needed to continue to attract net new trade.

The question arises as to what data supports Project Ireland 2040, a question we were unable to answer. A pressing question is if the timeline to completion will hamper FDI.

Canada is a vast land mass, and the historic and trade links are robust and multifaceted. Geo disparities and regional cultures contribute to specific strengths and challenges in each province and territory. Building on the links, ICBC member organisations promote Ireland's interest through event organisation and participate in ministerial visits from the government of Ireland to Canada. Through our Canadian networks we open doors to businesses and industries considering investment as FDI into Ireland. We have connections in multiple sectors and leverage our networks to the benefit of the Ireland Canada commercial engagement. We enjoy a supportive relationship with the Embassy team, consular offices, state agencies and Invest Northern Ireland.

Population base and connections.

Ottawa, Canada's national capital has a population of one million and has a very small Irish community. Notably there are no direct flights from Canada's nation capital Ottawa to Ireland.

Toronto's metro area has a population of 6.7 million and a growing Irish community. The recent addition of a Consulate General was enthusiastically welcomed as an absolute necessity. Direct flights with Air Canada and Aer Lingus are noteworthy assets to help uncover new prospects and nurture existing relationships.

Alberta, situated in west-central Canada has a population of 4.31 million and is nine times larger than the island of Ireland. The province is serviced by the Consular office in Vancouver. The introduction of direct flights by WestJet again helps uncover new prospects and nurture existing relationships.

Vancouver lies on the far west and of the Vancouver metropolitan area has a population of about 2.7 million. The Irish Consulate opened its doors in 2018 and was fundamental in helping establish the Ireland Canada Chamber of Commerce Vancouver. There are direct flights between Vancouver and Ireland adding to the attraction of the region.

Quebec has a unique position in Canada. Montreal has a population of 4.34 million and a very established active Irish community. I will leave the Ireland Canada Chamber of Commerce Montreal

to outline the unique position Quebec holds within Canadian federalism. Montreal has direct flights to Ireland.

I now invite my colleague Jonathan O Hara to address the committee.

Thank you, Ms. Gilna. Thank you, Chairman, and members, for the opportunity to hopefully advance Ireland's interests today. As a child of Ireland, albeit a few generations removed on both side of my family, it is an honour to be here.

My law firm has a history of particular support for Canada-Irish relations, including help with the ICBC's valuable work. I hope to assist the committee with my perspective as a lawyer helping businesses do business with and in Canada. I will start with some key observations relating to Ireland's position as an important supplier of certain goods and services to Canada. Then I will offer three suggestions about how Ireland can build on its existing strengths to maximize the benefits of the strong Irish-Canada trade relationship.

Diving deeper into the strengths of the Ireland-Canada trade relationship: pharmaceuticals goods and professional services.

A significant portion of the Ireland-Canada trade relationship revolves around life science and professional services. Appreciating these existing strengths and further opportunities for both countries to leverage those strengths, should be the core of advancing the Ireland-Canada trade relationship.

I first want to give some scale and context to these strengths, so we understand just how good we are and where.

In recent years, between one-third and half of Ireland's total exports of goods to Canada were pharmaceutical products. In 2022, pharmaceuticals were €1.6 billion of €2.7 billion total Irish exports of goods to Canada.

With respect to trade in services, management services typically represent over half of all services provided by Ireland to Canada (excluding intellectual property royalties). Management services include administrative, business and management consulting and public relations services.

In 2021 (most recent data available), "Management services" represented €485 million of €800 million in total services (again excluding IP royalties) . These management services are also the fastest growing category, having grown from €43 million in 2016 (pre-CETA) to €247 million in 2017 to the €485 million I mentioned in 2021. Over the five years from 2016 to 2021, that growth added a total of €1.8 billion to the Irish economy.

Ireland is particularly strong in this area relative to other EU countries. While Germany and France have economies that are 6-8 times that of Ireland, their trade in services with Canada is less than double that of Ireland. Ireland is clearly punching well above its weight in this sector. Canada's total imports of management services are €13.5 billion annually. Ireland is Canada's #3 provider, behind only the US (€10 billion) and the UK (€1 billion). There is significant room for Ireland to leverage its excellence in this sector and grow its share of the Canadian market.

Three suggestions to better leverage our Irish strengths.

Suggestion 1: Improve regulatory cooperation, especially for pharmaceuticals.

The Canada-EU Comprehensive Economic and Trade Agreement (“CETA”, Chapter 21 specifically) laid foundations for regulatory cooperation between Canada and the EU, including the creation of the Canada-EU Regulatory Cooperation Forum. To date, progress on improving regulatory cooperation between Canada and the EU has been very limited. Ireland has a particular interest in changing that.

Certainly, there has been some progress on cooperation regarding consumer safety outreach issues like warnings and product recalls. But we cannot lose sight of the importance of market access regulatory cooperation and harmonization.

Through CETA, Canada updated the Mutual Recognition Agreement on good manufacturing processes for pharmaceuticals (of which Ireland one of the first countries to operationalize the original agreement in 2003). This was certainly a good step, but in many ways, not a big one.

There was also small pilot project concerning sunscreen exports, whereby redundant testing of sunscreens was eliminated for products approved in the EU.

We need more of these market access improvements. It would be great one day to see products marked by the European CE mark were accepted into Canada, or that there would be full recognition of EU pharmaceutical approvals in Canada and vice versa. There is a lot of complexity to these topics, however we should not let the complexity deter us from our goals: there are ways forward that will fulfil the joint regulatory cooperation objectives set down in CETA.

Suggestion 2: Provide additional support for Irish business looking to participate in the Canada life science sector – which is primarily administered by sub-national Canadian governments.

Through CETA, the EU was the first party to obtain preferential access to Canadian sub-national procurements and obtain commitments relating to fair, open, and transparent procurement processes. This is particularly important for Ireland because it is these sub-national (i.e., provincial) governments and provincial government entities who are the main buyers in the Canadian life sciences sector, spending billions if not tens of billions of euros per year. As I discussed earlier, Irish businesses have long excelled in the Canadian life sciences sector. This is a great opportunity for Ireland.

So far, it does not appear that Irish business have been able to maximize it. This is corroborated by trade data since CETA provisionally entered into force.

One of the issues is likely that while EU business have preferential access from a legal perspective, there remain practical challenges. Canadian sub-national procurements are highly de-centralized, not just across the 10 Canadian provinces and 3 territories, but even within a province, different health authorities and hospitals may be conducting their own procurements. While the procurement opportunities are publicly advertised, they are not advertised in the same place. So, it may be challenging to even find out about a procurement opportunity. There maybe a role for the government to play in helping Irish businesses identify all these opportunities.

Another issue is that all these decentralized health authorities and hospitals are new to the level of rigour that CETA imposes on their procurement processes. These authorities are likely to make mistakes in the process, and some of these mistakes may be to the detriment of Irish businesses. The Irish government may wish to put in place measures to help ensure that the procurement commitments

relating to fair, open, and transparent processes that the EU obtained fully apply to Irish businesses. This could include something like advice through a trade commissioner function or similar regarding Canada's public procurement obligations.

Suggestion 3: Further analyze Irish management service providers to Canada to understand how to better enable them.

I suggest the committee and the government further study the Ireland management service sector to understand its export strengths and opportunities, to better understand what makes this sector so successful in Canada (and likely other countries) and then to help them continue to succeed. This help may come through various mechanisms, including existing organizations like Enterprise Ireland, through on the ground support of trade commissioner functions, or other mechanisms.

I thank Jonathan for the contribution and suggested path forward.

From the information gathered, there are problematic shared themes around resources, inclusion, and regional challenges. Further to Jonathan's suggestions, I put forward challenges and suggestions for consideration.

1. Ireland-Canada engagement

There is no correlation between what organizations do and what Ireland is looking to do in specific markets. Ireland needs to look at how it engages with our organisations and to what end. Currently Ireland speaks about growing trade, tourism, etc. within or from a particular market e.g., Canada. It then develops a plan in conjunction with its various agencies (EI, IDA, Tourism Ireland). At some stage it will reach out to the local organisations after the plan is developed.

Suggestion

Develop strategies and plans specific to target markets and regional strengths (provincial, industry, vertical, level of growth, key relationships to target). Local organisations participate in the development of the strategy and plan to better understand what role they can play. From there, a multi year budget can be planned out, with specific targets set by year – linking the ESP more directly to Ireland's goals.

2. Vancouver, State Agencies

Despite the tremendous cooperation and help from the Consulate, the Chamber is limited in their abilities to truly capitalize the strategic opportunities in Western Canada for Ireland. There are no state agency offices in western Canada and many economic opportunities are missed.

Suggestion

Establish Irish State Agencies in Vancouver to strengthen the existing ties between Ireland and Canada at both governmental and community levels. This is necessary to facilitate trade and economic ties, FDI, tourism, cultural exchanges, educational partnerships, and collaborations between Irish and Canadian institutions, enhancing bilateral relations and promoting mutual understanding.

3. Montreal, consular office, and trade officer.

As I mentioned earlier, Quebec enjoys a unique status in Canada, has an established Irish community and significant trade with Ireland. Again, we identify the challenges of voluntary boards and available resources to service the Ireland Quebec relationship and opportunities are lost.

Suggestion

Establish a consular office and trade officer to work with the specific provincial requirements of Quebec including the legislation and regulations around language for companies establishing operation in Quebec.

4.ICBC member resources

ICBC and its member organisations are voluntary managed and operated. The degree to which resources are required to deliver services effectively and efficiently are changing. I brought this to the attention of DFA during the recent Civic Forum. It is increasingly difficult to recruit working board or committee members who have the time to dedicate to the work at hand.

Suggestion

Establish additional consular offices and trade officers where economically feasible. Create a new trade officer role at the Embassy in Ottawa to support organisations and trade opportunities.

5. Restrictions Emigrant Support Program

The Emigrant Support Program is restrictive (letter sent to DFA 2021) the program does not provide for travel or associated business expenses. The returns from events are for the most part break even, limiting organisations activities to support state agencies and Embassy requests.

Suggestion.

Adjust the grant criterion to include travel and associated business expenses.

6. Exclusion

ICBC members are not formally included in the activities of Team Ireland. This is considered a significant disadvantage by the member organisations who would benefit from the guidance, sharing of information and supportive team engagement enjoyed by Team Ireland. Important to note; the embassy is as supportive as possible within the limitations for inclusion set by DFA.

Suggestion

DFA include ICBC members in Team Ireland in Canada “The Trade and Investment Strategy for 2022-2026 as found in the [*Value for Ireland, Values for the World*](#),, was launched by Government in 2022. DFA is playing a key role in the implementation of its seven priority actions. One of which is a **review** of the Local Market Team Framework *Global Ireland 2025 Strategy*.”

That concludes our submission.

Sources

[Canada-Ireland fact sheet \(international.gc.ca\)](#)

[gov.ie- Project Ireland 2040 \(www.gov.ie\)](#)

[gov.ie- Build Digital Grant \(www.gov.ie\)](#)

[Invest Ontario | Invest Ontario](#)

<https://investvancouver.ca>

[Alberta CAN- Home of the Invest Alberta Corporation.](#)

[Trade and Investment Strategy 2022-2026: Value for Ireland, Values for the World- DETE \(enterprise.gov.ie\)](#)

<https://www.montrealinternational.com>

<https://www.statista.com>