

## **The importance of language competence to support international trade**

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# For today

- The importance of language to business
- International trade - how we are doing
- Where are the opportunities?
- What are the implications in terms of language?
- The most important language of all
- How well prepared are we?
- Doing more together



***‘If you talk to a man in a language he understands, that goes to his head. If you talk to him in his own language, that goes to his heart.’***

Nelson Mandela

On a poster on the wall in a university in Beijing, where nearly 1,000 students were just about to take their English exams.

# In a global marketplace, language is like a licence to trade

- Foreign language and cultural awareness are equally important in winning global business
- Proficiency is valuable for introductory meetings, fluency is necessary to grow market share.
- Language skills confer a definite business advantage - seen as both a commitment to the market and a courtesy to the buyer side.
- Fluency facilitates relationship building especially in the High Growth Markets, such as China and Arabic States, where building and maintaining relationships is key to winning and growing business.
- Where companies need to localise their offer for a particular market - language can be a critical part of that process.



# Anecdotal Feedback

- In some markets (e.g. China) you physically cannot get from the airport to the city, without some of the language.
- Chinese buyer: *“When I am selling, I speak English, but when I am buying I speak Chinese”.*
- We tell our clients – *‘if you don’t speak the language, you need to:*
  - *Learn it ...*
  - *Hire it ... (someone who has it)*
  - *Or Buy it ... (in the form of translators) – but you can’t do without it.’*

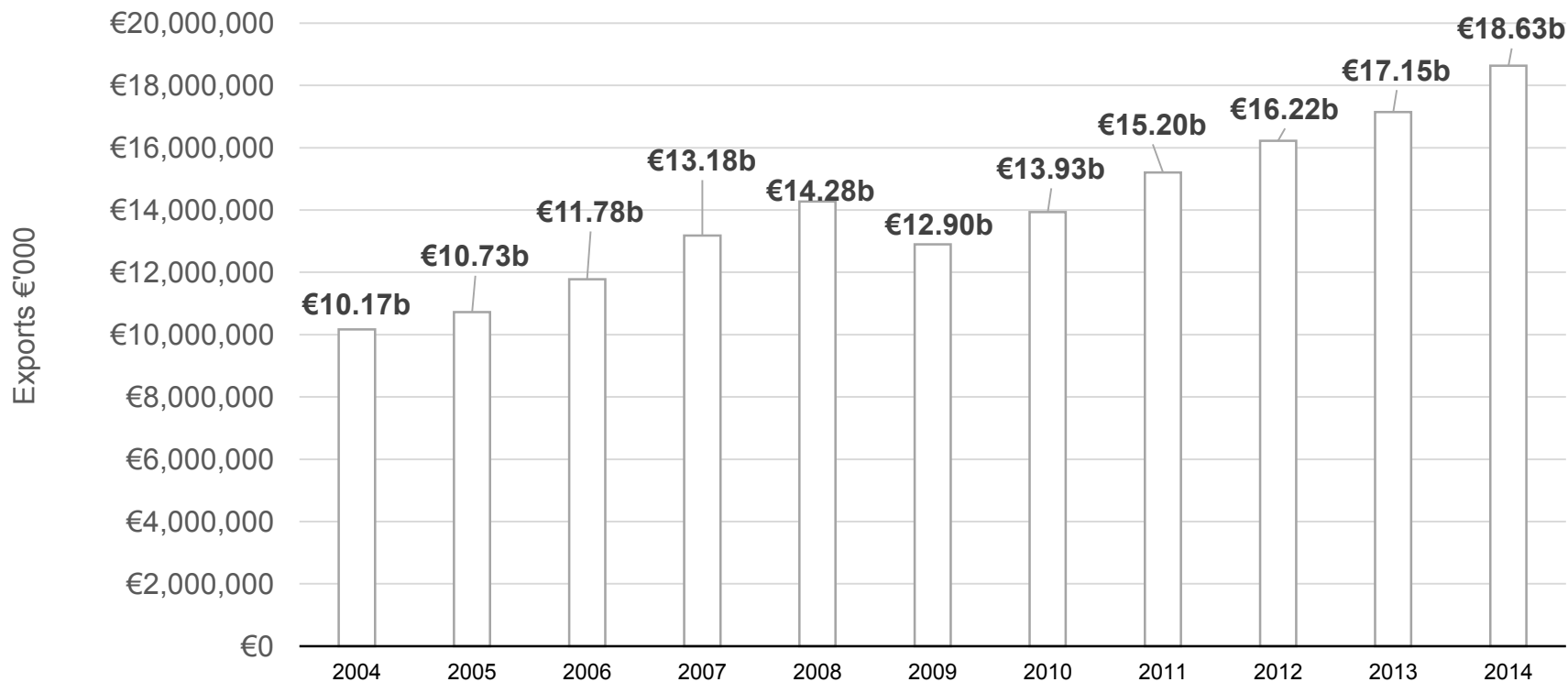
# International Trade

- How we are doing
- Where we are selling
- Where are the growth opportunities?



# Export Performance of EI clients 2004-2014

Exports (including Irish Dairy Board)



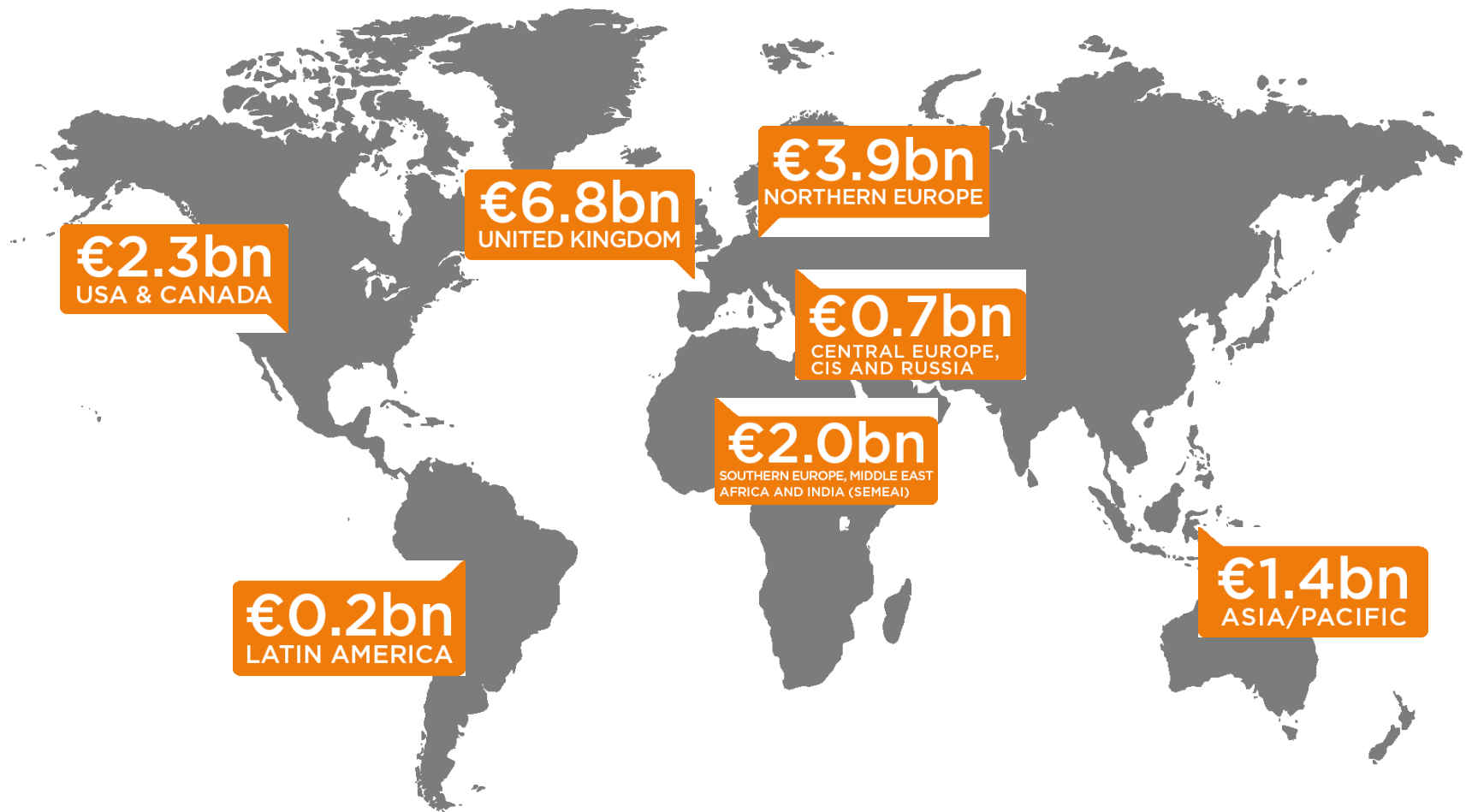
Targets: 2014 = €18.4bn

2015 = €20bn

2016 = €22bn

# Destination of Irish exports

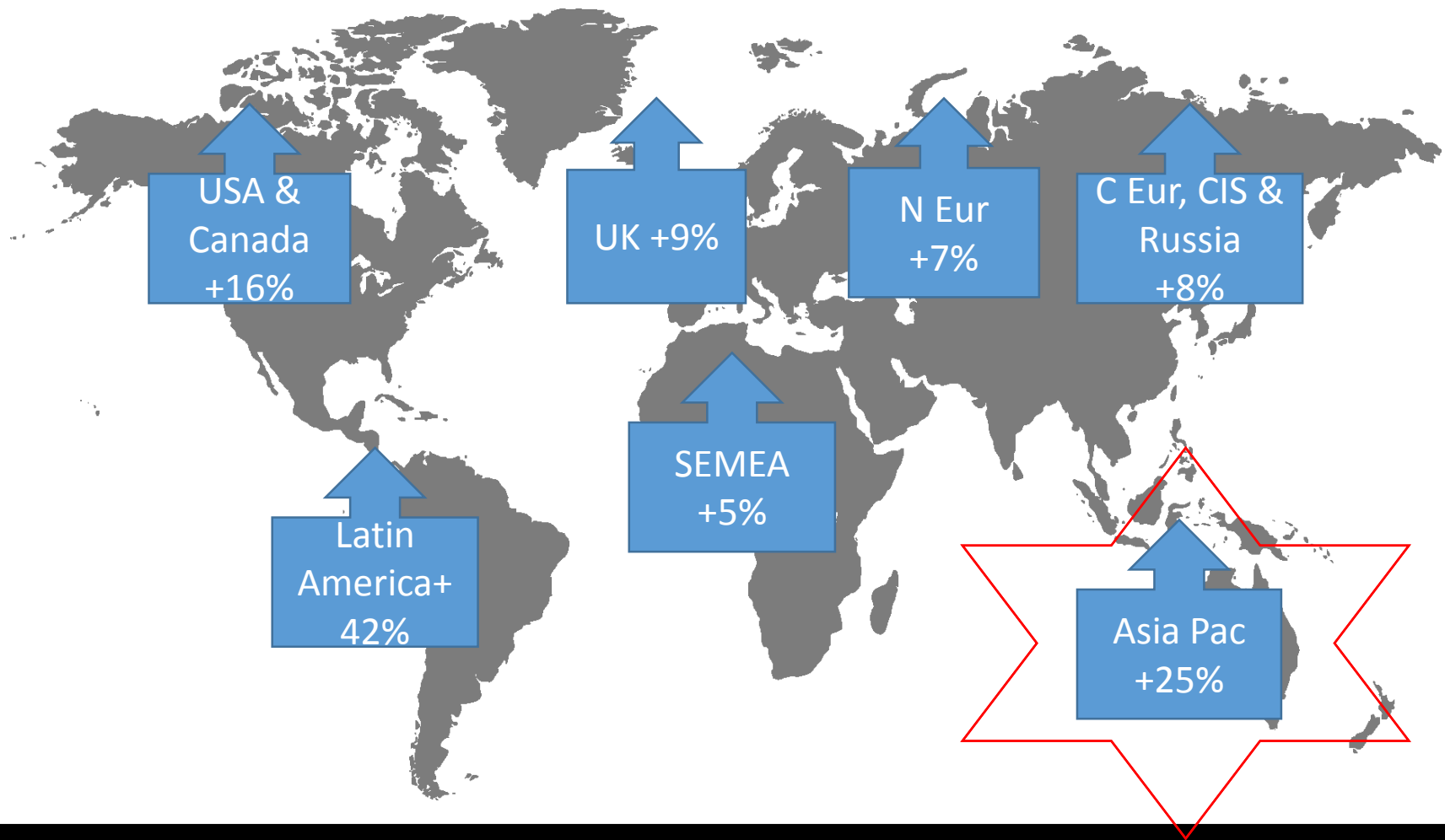
EI Clients 2014





# Growth rates by territory

El Clients YoY 2013-2014



# Where are the opportunities?

## **‘High Growth Markets’ of the future**

- Asia-Pacific, Gulf countries, South Africa, Russia and Brazil - increasingly strong source of future export growth.
- Asia-Pacific region €1.4bn EI client exports 2014:
  - China €500m
  - ASEAN markets €296m (grew by 17% last year)
  - Singapore and Malaysia, the more established markets in the region, achieved steady growth of 16% and 8% respectively
  - Newer markets such as Thailand and the Philippines demonstrated growth in excess of 50% albeit from a relatively low base
- Russia: €205m
- Gulf States: UAE €134m. Saudi Arabia €181m
- South Africa: €87m
- Brazil: €55m

# The **language implications** associated with projected growth rates?



We will need language skills in:

German

French

Spanish

Portuguese

Mandarin

Russian

Arabic

Japanese

# How are we preparing?

Language	2nd Level Education
<b>German &amp; French</b>	Offered at LC & junior cycle #1 French (49%) #2 German (13%) of total sits at LC 2014.
<b>Portuguese</b>	Offered as non-curricular language only. 67 sits at LC 2014.
<b>Mandarin</b>	<b>Not offered at LC.</b> Course on Chinese language and culture available in TYr. Short course is being developed for Junior Cycle.
<b>Russian</b>	Offered at LC as curricular language. 292 Sits at LC 2014. Established as a TYr option in 24 schools. High results gained suggest exam candidates may be from native speaking families.
<b>Arabic</b>	Offered at LC as curricular language. 108 sits at LC 2014.
<b>Japanese</b>	Offered at LC as curricular language in 35 schools in Ireland. c. 300 people study Japanese PA

3rd Level Education: only c.2-3 % of enrolments in HEA funded institutes reported studying a modern foreign language as a main subject (Expert Group on Future Skills)

# Percentage of children who study languages

Ref: Key Skills for Enterprise to trade Internationally

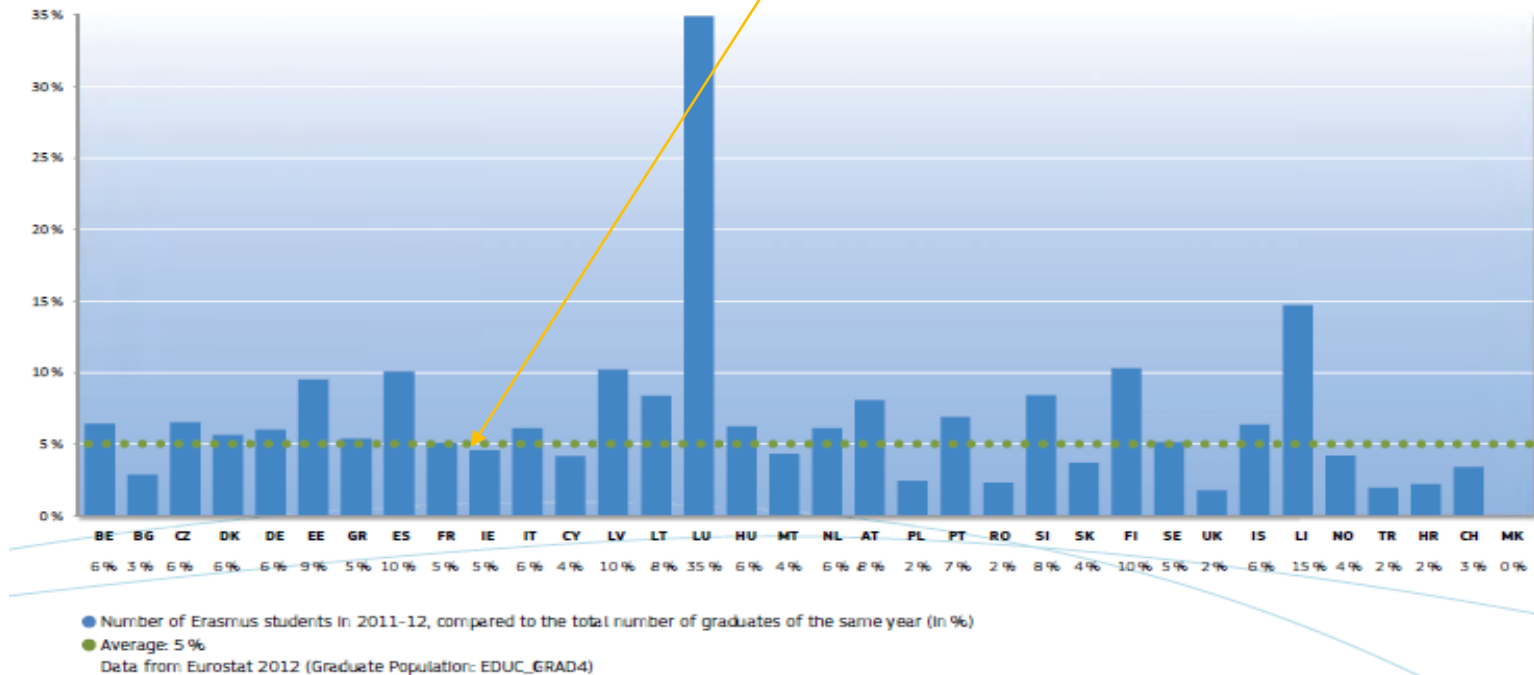
<i>Country</i>	<i>Primary Level % students studying one foreign language</i>	<i>Primary Level % students studying a second foreign language</i>	<i>Lower Secondary % students studying one foreign language</i>	<i>Lower Secondary % students studying a second foreign language</i>	<i>Upper Secondary % students studying one foreign language</i>	<i>Upper Secondary % students studying a second foreign language</i>
EU Average	79%	10%	93%	40%	83%	39%
UK	69%	19%	-	-	32%	12%
Denmark	56%	4%	96%	26%	91%	27%
Netherlands	32%	-	-	-	100%	86%
Finland	68%	5%	99%	92%	99%	92%
Germany	56%	4%	96%	26%	91%	27%
Poland	67%	13%	77%	26%	81%	49%
Ireland	3%	1%	66%	21%	58%	17%

Source: Eurostat Statistics in Focus: 49/2010.

Irish primary schools have lowest level of foreign language tuition in EU27

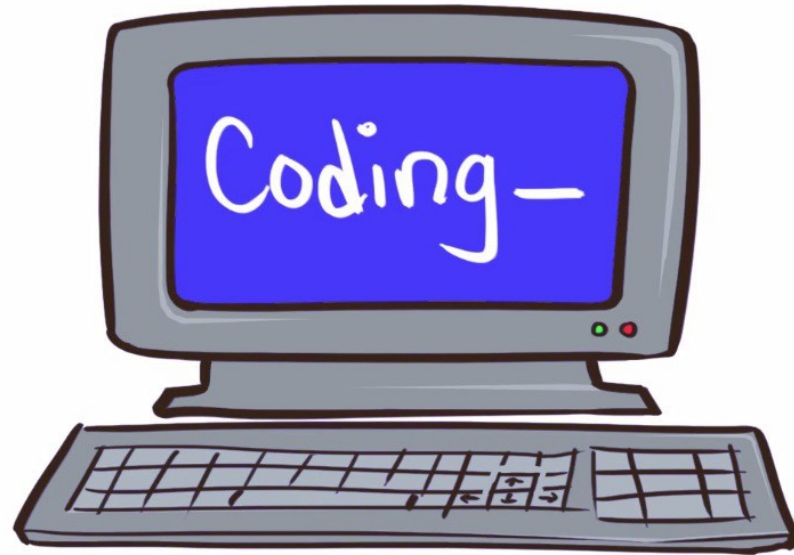
# Erasmus

- Ireland's participation on ERASMUS is low (below EU average of 5%) – attributed to low level of foreign language proficiency
- 2012-2103: 2,762 outbound students. #1 destination France (16%) #2 UK (13%)
- Inward Erasmus students to Ireland is roughly twice the outbound number



Number of  
Erasmus  
students  
as % of  
graduates

# The most important language of all?



*‘Everybody should learn how to program because it teaches you how to think...’*

Steve Jobs

# Why?

- In start-ups, the *execution* of an idea is much more valuable than the idea itself (by a factor of 10 or more)
- An idea *expressed in code* is more valuable than an idea *expressed in words or diagrams*
- In Ireland it is estimated there are currently 6,000 vacancies within the IT sector alone.
- 1 million of the best jobs in the US will go unfilled because only 1 in 10 schools teach kids how to code.
- Europe is expected to face a shortfall of over 900,000 technically skilled employees by 2020.
- **Whether you want to be a doctor or a rockstar – learn how to code**





# Are we adequately prepared to take advantage of future opportunities?

- Foreign language and cultural awareness are essential for enterprises to compete in the global market place.
- Low level of correlation between language education in Ireland and markets of greatest growth potential (e.g. Mandarin, Russian and Japanese)
- The language of coding is taught primarily on a voluntary basis
- Less than 5% of Irish nationals consider themselves proficient in more than one foreign language
- But it's not all doom and gloom!

# What EI is doing

- **Graduates for international growth programme** - we assist companies develop and place graduates in international markets. A key element for companies in recruiting such graduates is appropriate language skills.
- EI Graduate Program (**16 new graduates each year**) - placed in our overseas offices
- **Recruitment of local hires** (majority of EI's overseas staff) with the requisite language skills and whom assist EI clients identify and secure business opportunities.
- EI assist clients identify local talent with necessary language and sector specific business experience.
- **Education in Ireland** - 35,000 international students from 161 countries choose to study in Ireland
- **Lever the “new Irish diaspora”** (international students that have been educated in Ireland) by connecting / networking them with Irish businesses both in Ireland and overseas when they have returned to their home country.
- We encourage Irish companies to retain **foreign students from High Growth Export Markets** with the relevant cultural and language skills –and to maintain links after repatriation. They are great ambassadors for Ireland.
- Harness the resources of the **‘new arrival communities’** – e.g. Polish community in Ireland.



# What Irish companies are doing

- **New business models** - new ways of doing business with international customers
- **Recruiting 'nationals'** from within their target markets
- **Establishing a presence on the ground**, from distribution to direct sales, customer support and project teams – businesses in the geography, directed, managed and controlled by the Irish parent company
- **Recruiting Irish graduates with language capabilities** to support their plans (EI has placed 100s of graduates in Irish companies)
- **Multi-lingual, Irish based customer service and tech support teams** (some client companies have teams that can support more than 14 different languages, employing upwards of 30 different nationalities)
- **Participating in global Irish networks**, business networks, Irish 'alumni' abroad



# Working together

- ‘Future-proofing’ Irish industry means accelerating language education
- How can we accelerate foreign languages?
- What are the blockages?
- In languages associated with HGMs of the future – should we:
  - Introduce Mandarin Chinese at Leaving Certificate?
  - Consider ‘extra credits’ for foreign language qualification?
- Actively encourage students to study abroad – promoting the career benefits later in life
- Hidden resource – students who return to countries of residence, positively disposed towards Ireland - build a bridge between foreign language education policy and markets of future such as Brazil
- Tell us how we can help more?



# Everyone needs to play their part

- Parents - must recognise the importance of foreign languages, encourage their children
- School Teachers - give language learning a firm place in school life
- Universities - promote language departments to business students, and vice versa
- Government, Local Education Authorities, general public and the media – promote the value of language learning for future generations and support it accordingly.

# Thank you

