The importance of language competence to support international trade

Julie Sinnamon, CEO Enterprise Ireland
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

- €6.8bn, Northern Europe
- €3.9bn, Central Europe, CIS and Russia
- €2.3bn, USA & Canada
- €2.0bn, Southern Europe, Middle East, Africa and India (SEMEAI)
- €0.7bn, Latin America
- €1.4bn, Asia/Pacific
Growth rates by territory
EI Clients YoY 2013-2014

USA & Canada +16%
UK +9%
SEMEA +5%
N Eur +7%
C Eur, CIS & Russia +8%
Latin America +42%
Asia Pac +25%
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?

<table>
<thead>
<tr>
<th>We will need language skills in:</th>
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<tbody>
<tr>
<td>German</td>
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<tr>
<td>French</td>
</tr>
<tr>
<td>Spanish</td>
</tr>
<tr>
<td>Portuguese</td>
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<tr>
<td>Mandarin</td>
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<tr>
<td>Russian</td>
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<tr>
<td>Arabic</td>
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<td>Japanese</td>
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## How are we preparing?

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

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


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
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 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’ aborad
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