



## Time for small tech

Unio Global Macro Committee Outlook

September 2024

# Full throttle

The Unio Global Macro Council usually debates high level topics such as the role of the dollar in the financial system or the pulse of the Chinese economy. However, ahead of October's budget and also ahead of a likely general election in the coming months, at this month's GMC we focused on developments at home.

The first theme to come to the fore is that at a high level, Ireland is very different to other European economies, growth is very strong, capital expenditure is high and the labour market is robust. If anything, the Irish economy is 'too hot', at the same time that larger European economies like France and Germany are moribund. Our sense is that in the short run, the rate of growth in the Irish economy will not let up, and to a certain extent capacity constraints in areas like housing and infrastructure may begin to act to cool the level of growth.

Notably, our discussion focused on the ways in which the political discourse in Ireland is quite different from that in other European countries – there is much less focus on the topics of security and defence for instance.

Also, whilst crucially important to the future of Europe, Mario Draghi's report on the competitiveness of the European economy and the need for it to foster 'strategic autonomy' (essentially to be self-sufficient in key technologies and infrastructure) has made less of a mark on the Irish policy outlook. Arguably, Ireland can still learn from its European partners when it comes to building infrastructure.

---

**'Ireland is very different to other European economies, growth is very strong, capital expenditure is high and the labour market is robust.'**

---

One clue as to why we are less taken by 'strategic autonomy' is that we are the beneficiaries of foreign direct investment, mostly by American technology firms. The EU court case over Apple's tax affairs is a reminder of this.





## Ireland needs to tilt strategy

The presence of US multinationals in Ireland is very real, and an important driver of the economy – Ireland is a more important trade partner with the US than Italy is. But this brings its own risks, and our minds are focused on the prospect that a second Trump presidency could begin with a trade war on Europe (he should think again as he might need Europe in the event of a trade war with China). This scenario could severely impact Ireland, and at very least should direct the focus of attention to the ongoing development of the domestic economy.

In this regard, with the budget only a few weeks off, our sense is that an important area for reform is the reduction in ‘costs of doing business’ such as commercial rates and ‘regulation for small and medium-term businesses’, many of whom are less well able to bear these burdens than larger firms. Furthermore, we feel that the development of technology focused start-ups is important and more attention needs to be given to the cultivation of ‘eco-systems’ that bring expertise, funding and business partners. Such an opportunity in this space could bring with it an economic cushion to bolster Ireland's future resilience amidst an evolving geopolitical backdrop.

**Dublin Head Office**

2 Sandyford Business Centre  
Burton Hall Road  
Sandyford  
Dublin 18  
D18 XK37  
T: +353 (0) 1 662 1200

**Dublin**

Block 3  
The Oval  
Shelbourne Road  
Ballsbridge  
Dublin D04 T852  
Tel: +353 (0) 1 237 5500

**Cork**

No 6. Lapps Quay  
Cork  
T12 VY7W  
T: +353 (0) 21 435 8533

**Limerick**

The Gallery  
13 Bedford Row  
Limerick  
V94 VY47  
T: +353 (0) 61 633777

**Galway**

Odeon House,  
7 Eyre Square,  
Galway.  
H91 YNC8  
T: +353 (0) 91 335 587

---

Unio Financial Services Ltd trading as Unio, Unio Employee Benefits and Unio Wealth Management, is regulated by the Central Bank of Ireland.

e: [info@unio.ie](mailto:info@unio.ie)  
w: [www.unio.ie](http://www.unio.ie)