

enterprise europe

accessEuropa Ireland



Business Support on Your Doorstep



European Commission
Enterprise and Industry

KEY FACTS

Location: Western Europe

Area: 70,273 sq km

Climate: Mild winters, cool summers, humid

Population: 4,203,200 (July 2009 est)

Capital: Dublin

Languages: English, Irish (Gaelic or Gaeilge)

Labour Force: 2.241 million (2008 est)

Unemployment Rate: 6.1% (2008 est)

Currency: Euro (EUR)

Government: Republic, Parliamentary democracy

Exports: \$115.6 billion f.o.b. (2007 est)

Imports: \$84.2 billion f.o.b. (2007 est)

Ireland



Ireland is a small, vibrant economy with a heavy dependence on trade. For many years the economy struggled, however, the situation ended spectacularly in the 1990s.

Strong growth rates that at times approached ten per cent, saw the country outperform all other European economies throughout the 1990s. This boom was driven by a number of key factors that included multi national investment, low corporate tax rates and a highly educated workforce. The economic expansion also brought an end to high unemployment and mass migration. More recently, from 2003 to the beginning of 2007, the economy continued its growth at a steady rate of three to six per cent annually.

Economy

Based on current purchasing power parities, Ireland is ranked 7th in the world and the second highest within the EU. According to UK Trading and Investment reports 2009, Ireland is the fifth largest export market, worth £27,460 billion in 2008, and a GDP real growth rate of 6% (est 2006).

In recent decades, the Irish economy has managed to transform itself from being based on agricultural and traditional manufacturing, to one which is increasingly based and centred on hi-tech and internationally traded services, leading to Ireland becoming known as 'The Celtic Tiger'. During the 1990s, Ireland saw the level of the Irish GDP almost double, due to exceptional economic growth. Industry accounts for 46% of GDP, 80% of exports and 29% of the labour force. The services sector accounts for 49% of GDP and 64% of the labour force. Agriculture now represents only 5% of GDP and 8% of those in employment.

Ireland has a low inflation rate alongside high growth rates in the economy, and hopes to continue to attract and retain foreign direct investment.

Economy Facts

GDP (ppp): \$188.4 billion (2008 est)

GDP per capita: \$45,300 (2008 est)

GDP real growth: 5.3% (2007 est)

Inflation: 4.1% (2008 est)

Exports to UK: £11 billion (2007)

Imports from UK: £17.6 billion (2007)



Business Culture

The business culture in Ireland can tend to be more open and friendly, rather than reserved and cool. It is not at all uncommon to be on a first name basis with customers at a very early stage within the conversation, even when meeting for the first time.

In general, Irish people are very welcoming and especially generous with their time. If a customer's product or service is found to be unsuitable for them, they tend to refer the customer on to another person who may be interested in the goods being offered, rather than simply declining them. It is known that Irish buyers are astute and they are well accustomed to buying in Europe amongst other markets.

Reasons to Invest

Although the Irish market may be fairly small with a population of just over 4 million people, it is a very fast growing and attractive market with the young population accounting for nearly 50% (under 25 years). Ireland has strong trading links with Europe and has a business style which is open and casual, thus creating many reasons for why a person may want to invest in Ireland:

Ireland is a member of the WTO, and with most countries has bilateral tax treaties.

There are no exchange controls in Ireland, which means any capital and earnings gained can be freely repatriated.

The government policy towards the UK and other foreign investment is extremely positive, with a corporation tax rate at 12.5%, which applies to all corporate trading profits.

Ireland is a very fast growing and attractive market

A range of attractive incentives are offered in the form of subsidies and grants in order to encourage and promote foreign direct investment and business development, thus Ireland has been very successful in attracting US and European firms. There are over 100 UK manufacturing firms which are currently active within the Irish market. The developments in the workforce (near full employment), have given cause for a shift within industrial policy towards promoting higher technology industry. Ireland further boosts its attraction with a modern telecommunications system alongside major investments in state of the art fibre-optic systems, which is designed to make Ireland an e-Commerce 'hub'.

Investment Climate

The 2008-2012 Business Environment Ranking of the Economist Intelligence Unit places Ireland 11th globally out of 82 countries, naming it as one of the most attractive business locations in the world. The Government actively promotes foreign direct investment (FDI), a strategy that has been a key factor in driving the phenomenal growth witnessed in recent years. The Irish Government has implemented a series of national development programmes aimed at improving infrastructure, increasing labour force skills and encouraging enterprise and investment. The National Development Plan for 2007-2013 allocates EUR184 billion for the purpose, more than three times the amount allocated in the previous plan.

Sector Opportunities

Construction: Ireland is currently in the middle of plans to build a bigger and better place for all the people, by carrying out a £184 billion plan entitled 'Transforming Ireland - A Better Quality of Life for All'. It is a National Development Plan running over a 6 year period from 2007 - 2013. The plan is set to build the roadmap to Ireland's future, and is the largest programme ever proposed for Ireland. The Plan provides €54.6 billion for investment in economic infrastructure, €49.6 billion for social inclusion measures (children and people with disabilities etc), €33.6 billion for social infrastructure (housing, health and justice etc), €25.8 billion for human capital (schools, training and higher education etc) and €20 billion for enterprise, science and innovation.

Healthcare: The life expectancy in Ireland is above the EU average for the first time, since joining the EU. In order to maintain and develop their health services, the government's spending has increased to €11 billion to spend alone on healthcare.

Main Industries

Steel, lead, zinc, silver, aluminium, barite, food products, brewing, textiles, chemicals, pharmaceuticals, rail, commercial vehicles, ship construction, tourism

Main Exports

Machinery and equipment, computers, chemicals, pharmaceuticals, live animals, animal products

Main Imports

Data processing equipment, other machinery and equipment, chemicals, petroleum, textiles

Environment: Ireland believes a high quality environment plays an important role for a good quality of life, and is a key component of sustainable development. Thus, it is for this reason Ireland is spending approximately €4 billion in order to upgrade and to conform to EU standards.

Food and Drink: Ireland provides many opportunities for UK companies who are involved in specialist foods.

Transport 21: Ireland is implementing a €34.4 billion transport plan, which will run over the course of 10 years and is due to finish in 2015. The plan includes various infrastructure projects, and is aimed at an integrated transport policy for Ireland. (For more information on the Plan please visit www.ndp.ie)

ICT: Ireland has been highly successful in attracting overseas investment into the ICT sector. Today there are five of the world's top ten ICT companies operating in the country. There are more than 220 companies active in the sector with a combined workforce of over 40,000 people. Each year the sector creates exports valued at over EUR50 billion and generates corporate tax in excess of EUR500 billion.

Pharmaceuticals: Ireland has proved to be a key location for the pharmaceutical industry. Foreign investment in the sector began more than 40 years ago. Pharmaceuticals make a substantial contribution to the wealth of the Irish economy and the sector has witnessed significant growth in recent years. At present it is the largest payer of corporate tax, it employs 17,000 people and generates 40 per cent of total manufacturing exports.

In general, Irish people are very welcoming and especially generous with their time

Consumer Products: The Irish experience for Consumer Products and Services covers every aspect of business and highlights the diversity of expertise available for EMEA and globally focused multinationals operating internationally from Ireland.

Business Services: Ireland is one of Europe's leading locations for Business Services companies due to high quality IT, financial and HR skills. Ireland continues to attract shared services operations to serve European and global markets as well as more sophisticated and diverse regional headquarters' operations from these companies.

Entertainment & Media: Google and AOL's decisions to locate overseas operations in Ireland are proof of the dynamic nature of the Entertainment and Media sector in Ireland. Innovative Government initiatives such as the Digital Hub in Dublin underscore the drive to create an international centre of excellence around digital media and technology in Ireland.

UK Trading Relationship

Ireland is the UK's fourth largest export market, after the US, Germany and France, worth £17.6 billion in 2007. Figures look set to be similar for 2008, with exports worth almost £11 billion for the first nine months of the year. It is the only major world market where the UK is the dominant supplier and is the UK's largest market for clothing, footwear, food and building materials. In terms of imports the UK was worth just over £11 billion to Ireland in 2007. The UK is also the third largest investor in Ireland, after the US and Germany.

Useful Contacts

Embassy of Ireland

17 Grosvenor Place
London
SW1X 7HR
Tel: 020 7235 2171
Fax: 020 7245 6961
Web: www.embassyofireland.co.uk

UK Trade & Investment

British Embassy
29 Merrion Road
Ballsbridge
Dublin 4 Ireland
Tel: +353 1 205 3755
Email: trade3.dublin@fco.gov.uk



www.een-midlands.org.uk

ain Industries

