

The Republic of Ireland



Euro Info Centre
Country Profile
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IRELAND



Country's full name: The Republic of Ireland.

Capital City: Dublin (1.5 million).

Population: 4.06 million.

Official Languages: Irish (Gaelic), English.

Currency: Euro (Since January 2002).

Religions: Roman Catholic 88.4%, Church of Ireland 3% and other 8.6%.

Area: 70,280 sq km.

Terrain: Mostly level to rolling interior plains surrounded by rugged hills and low mountains with sea cliffs on the west coast.

Climate: Temperate maritime with mild winters and cool summers and consistently humid.

Administrative divisions: There are 4 provinces which are divided by 26 counties.

Weights and Measures: Metric.

Time Zone: GMT. From the last Sunday in March to the last Sunday in October a daylight saving scheme is in operation which is one hour ahead of GMT.

International dialling code: 00 353.

Government: Ireland is a parliamentary democracy with a president. There are a lower house of parliament (Dáil) with 166 seats and an upper house (Seanad) with 60 members. The cabinet is led by the Prime Minister (Taoiseach). Public elections for the presidency take place every seven years, the last elections were in 2004 where Mary McAleese was elected for a second term. The parliamentary elections are held every five years. Last elections were held in 2002 with Bertie Ahern chosen for a second term as the Prime Minister. In July 2007 new parliamentary elections will be held.

ECONOMIC OVERVIEW

Ireland has changed in the past few decades from a rural, agricultural country to an industrial and service led country, with one of the highest GDPs per capita in the EU. Ireland has, after Luxembourg, the highest GDP with more than €39,000 per head. The Irish government has designed national economic reform programmes to reduce inflation and government spending and to increase foreign investment. Especially the National Development Plans are giving the economy a boost. Ireland can be considered as a small, open, trade-dependent economy and is one of the fastest growing economies in the developed world. Its openness is reflected in the international mobility of capital and by growing levels of foreign direct investment. With low tax rates, it is an attractive economic climate for businesses. Companies like Microsoft, Intel and Google have already placed European headquarters in Ireland.

The UK is the most important exporter to Ireland with 37.1% of all the Irish imports, followed by the US (13.8%), Germany (9.2%) and the Netherlands (4.5%). Ireland exports most of its products to the US and the UK (both around 18%), followed by Belgium (15.2%), Germany, France, the Netherlands and Italy.

ECONOMIC INDICATORS	
Population (2006)	4.06 million
Unemployment rate (2006)	4.4%
GDP per head (euro) (2005)	39,695
GDP average growth rate (2005)	5.5%
Inflation rate (2006)	2.7%
Total exports (million euro) (2005)	88.56
Total imports (million euro) (2005)	55.14
Internet users (2006)	50%

Sources: Eurostat

INFRASTRUCTURE / ENVIRONMENT

Roads

Ireland has a maintained road network of 96,602km, including 200km of motorway. In the National Development Plan 2007-2013, the government is spending €17.6bn on national road construction and improvement.

Railways

Iarnród Éireann (Irish Rail) provides the rail service in Ireland, which has a total of 3,312km of railways. There are 87 intercity stations in Ireland. Services are divided into standard and super standard classes. In addition there is a fast, high quality train linking Belfast and Dublin. Smoking is prohibited on all railway services and in all stations. According to the National Development Plan, €12.9bn will be invested in the railway system, particularly around Dublin.

Shipping

The majority of sea arrivals to Ireland come through Dublin or Dun Loaghaire, south of Dublin. In total, there are 5 ports: Cork, Dublin, New Ross, Shannon Foynes and Waterford. Ferry service is available from Ireland to the United Kingdom and the rest of Europe. Again, the National Development Plan has allocated €480m for upgrading regional ports.

Civil aviation

Ireland has 36 airports of which the four major international airports are Dublin, Shannon, Cork and Knock. Domestic flights are available from the major international airports as well as the regional airports of Aran Islands, City of Derry, Donegal, Galway, Kerry and Sligo. Flights within Ireland are provided by Aer Lingus, Ryanair, Aer Arann and Logan Air. From 2007 to 2013, €2.76bn will be invested to improve air transport facilities.

Energy

More than 50% of all the energy in Ireland comes from oil, followed by gas (22%), coal (12%), peat (5%) and renewable energy (5%). Ireland is 90% dependent on the import of energy. There has been a significant increase in the contribution from renewable energy to electrical consumption since 1990. The increase has not resulted in a significant share increase as advances made have been offset by an increase in the overall energy demand. For this reason the government has recently increased its target for electricity generation from renewable energy from 13.2% to 15% by 2010. This will require the renewable energy to be tripled compared to the 5% level at present.

To secure the supply and assure competitively priced energy and environmental sustainability the Irish government has put aside €8.5bn for investment in energy during the 2007-2013 period. Major capital investments will be undertaken alongside investments in key strategic energy infrastructure projects, including the East/West and North/South interconnections, and ongoing investments in sustainable energy designed to meet the target of 15% electricity production from renewable sources by 2010.

Telecommunications

Ireland has one of the most advanced and competitive telecommunications infrastructures in Europe. The Irish phone company, Telecom Éireann, is a semi-state organisation providing a wide range of telecoms services. The telecommunications market is fully deregulated and many businesses are present in the market. Large investments in recent years have resulted in high-tech networks with national and international connectivity. With 3.8 million mobile phone subscriptions, Ireland has a high level of mobile phone connectivity (94% of the population).

Environment

The National Development Plan has launched an environmental priority investment of €5.8bn for the next six years. A key focus of national policy with regard to renewable energy has been in the production of electricity from wind energy. This is mainly due to the size of the wind energy resource in Ireland. The energy contribution from wind is set to grow due to a significant increase in the number of wind turbines.

MAJOR SECTORS OF THE ECONOMY

Telecommunications

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Medical devices and pharmaceuticals

The world's leading pharmaceutical and medical technology businesses have manufacturing activities in Ireland and have invested in making Ireland one of the most important locations for medical devices and pharmaceuticals. At present 15 of the top 25 medical technology businesses and 13 of the top 15 pharmaceuticals are located in Ireland, i.e. Pfizer and Johnson. The country is, with more than €34bn turnover, one of the world's largest exporters of pharmaceuticals.

Electronics and ICT

Especially IT and electronic-based equipment are the key sectors in electronics and have made Ireland one of the most attractive locations for investment in information and communications technology. More than 300 overseas ICT companies develop, market and manufacture products in Ireland and 7 of the top 10 ICT companies have a base in Ireland. With large companies like Microsoft, Intel, Dell, Google and eBay, Ireland has been able to set up a growing business within high tech knowledge.

Engineering

The engineering sector has been evolving in particular the automotive, electrical, material handling and automation sub sectors. Over 170 international engineering companies have invested in Ireland, not only because the country is well positioned and has a highly skilled workforce with engineering and technical skills, but also because the engineering sector and its activities are supported by a high quality sub supply network, university level research and well developed logistics.

BANKING AND FINANCE

Banking

The Central Bank and Financial Services Authority of Ireland (CBFSAI) consists of two entities. The first entity is the Central Bank, which carries responsibility for the monetary policy functions, financial stability, economic analysis and currency, and payment systems. The second entity is the Irish Financial Services Regulatory Authority, which carries responsibility for the financial sector regulations and consumer protection. The CBFSAI has a supervisory responsibility for over 1000 financial entities in Ireland, of which more than 80 are banks and around 400 are credit unions. The top five banks in Ireland are Allied Irish Bank, Bank of Ireland, National Irish Bank, Ulster Bank and TSB Bank.

The banking sector contributed 6.7% to the Irish GNP in 2005 compared to 3.5% in 1998. Employment in banking in Ireland has also risen from 29,400 in 1998 to 37,700 in 2005, of which 82% represents retail banking. These retail banks have more than 900 branches and sub-offices. The Irish Banking Federation is the leading representative body for the banking and financial services sector in Ireland.

Central Bank and Financial Services Authority of Ireland, Dame Street, Dublin 2, Ireland

Tel: 00 353 (0)1 434 4000. Fax: 00 353 (0)1 671 6561. Email: enquiries@centralbank.ie

Website: www.centralbank.ie

Irish Banking Federation, Nassau Street, Dublin 2, Ireland

Tel: 00 353 (0)1 671 5311. Fax: 00 353 (0)1 679 6680. Email: ibf@ibf.ie

Website: www.ibf.ie

Finance

The Irish Stock Exchange is a key element of the financial infrastructure of Ireland. In recent years the Exchange has established a leading position globally in investment funds and specialist securities. The main securities traded on the Exchange's markets are securities of companies listed on the Exchange and Irish government bonds.

Irish Stock Exchange, 28 Anglesea Street, Dublin 2, Ireland

Tel: 00 353 (0)1 617 4200. Fax: 00 353 (0)1 677 6045. Email: info@ise.ie

Website: www.ise.ie

Insurance

The Irish Insurance Federation (IIF) is the representative body for insurance companies in Ireland and it represents 62 companies, which employ over 14,000 people. The IIF represents the insurance companies at both a national and European level, keeps its members updated on regulations and provides information on insurance for the general public.

Irish Insurance Federation, 39 Molesworth Street, Dublin 2, Ireland

Tel.: 00 353 (0)1 676 1820. Fax: 00 353 (0)1 676 1943. Email: fed@iif.ie

Website: www.iif.ie

OPPORTUNITIES FOR UK EXPORTERS / INVESTORS

Overview

British export has the advantage of sharing the language, geographical proximity and similar business practices. Being the second largest supplier to Ireland, UK companies can be found in almost all the sectors of the Irish economy. However, Ireland is also heavily investing in the UK. With an Irish stock worth €5.25bn and around 2,000 Irish businesses in the UK, Ireland is the fourth largest investor in the UK in terms of jobs.

Construction

Building the port tunnel for Dublin, with a contract worth €1080m, is one example of a British business winning an important contract in Ireland. In National Development Plan, the government has reserved another €76bn for infrastructural projects to improve North/South cooperation, but also for waste and waste-water management and energy projects. Another objective during the 2007-2013 period will be to ensure that adequate infrastructure is in place to meet the demands from continuous growth and development in the economy and from a rapidly increasing population.

Environment

A UK consortium completed a waste water system in Dublin worth around €375m. With a €4.75bn investment, the government wants to improve the quality of drinking water and treat wastewater in order to achieve the highest level of environmental protection. In the climate change sector, the government is spending approximately €270m to conform to the EU and UN criteria and Ireland goes even further in their pollution reduction than required, with a focus on reducing greenhouse gas emission. The purchase of carbon allowances is one part of the reduction strategy in line with the Kyoto Protocol obligations.

Food and drink

Being the largest investor in Ireland, there are many opportunities for British companies to export their food products to Ireland. For example, Ireland is in the top five of UK exports in beverages. Between 2000 and 2005 real expenditure on food increased by 25%, which means that the Irish people spend around 20% of their personal expenditure on food and beverage. There is also a 22% industrial turnover on food.

Healthcare

The Irish Healthcare market is estimated to be worth €16bn per annum. The Public Health Services budget, at €12bn per annum, is the largest of any public sector and represents 25% of all government spending in 2006. This means that Ireland spends more per capita on healthcare than Germany, France, the Netherlands and Italy. Within the EU, only Denmark and Luxembourg spend more per

capita on healthcare. Opportunities exist for UK companies across a wide range of products and services in this sector.

Transport and communications

With an annual turnover of almost €20bn and a growth rate of 13% per year, there are many opportunities for UK businesses in the transport and communications sector. With the presence of many of the world's leading ICT companies, the ICT sector is a fast growing sector. Ireland wants to have a telecommunications infrastructure that will meet future requirements in terms of technical capacity and the release of innovative competitive based telecommunications services. In addition, the government has decided to invest in a €34.4bn 10 year transport plan with various infrastructure projects like roads, public transport, air transport and ports.

BUSINESS CULTURE

Business hours

Business hours are from 9.00 to 16.00 Monday to Friday, while banks are open from 10.00 to 16.00. Most shops tend to be open Monday to Saturday from 9.00 to 18.00 with a late night open until 20.00/21.00 on Thursday and Friday; usually shops are closed on Sunday.

National holidays

(Dates are given for 2007)

- New Year's Day (1 January)
- St Patrick's Day (17 March)
- Good Friday (6 April)
- Easter Monday (9 April)
- May Holiday (7 May)
- June Holiday (4 June)
- Summer Holiday (6 August)
- October Holiday (29 October)
- Christmas Day (25 December)
- St Stephen's Day (26 December)

Dress

In Ireland, people tend to dress conservatively and business professionals should wear formal clothes for meetings. Men wear suits or sport coats and ties. Women wear suits or dresses and blazers.

Business etiquette

In general, Ireland is a very open economy and the business culture is open and friendly as well. It is not uncommon to be on first name terms with customers at a very early stage, but only if the other does the same. Handshaking is usual and modes of address are often informal, but punctuality for business meetings is important in Ireland.

SETTING UP A BUSINESS IN IRELAND

In Ireland there are several types of companies, such as private/public limited or unlimited companies by share or guarantee. You have to register with the Companies Registration Office. Just as in the UK, the Chambers of Commerce are private membership organisations that promote economic and social development.

BASIS (Business Access to State Information and Services) is established by the Irish government as a tool for businesses and start-ups. The Irish Department of Enterprise, Trade and Employment is responsible for the development of BASIS.

BASIS project, Department of Enterprise, Lower Hatch Street, Dublin 2, Ireland
Tel: 00 353 (0)1 631 2787. Fax: 00 353 (0)1 631 2563. Email: basis@entemp.ie

Website: www.basis.ie

Forfás is the Irish national policy and advisory board for enterprise, trade, science, technology and innovation. It also operates under the Irish Department of Enterprise, Trade and Employment.

Forfás, Wilton Place, Dublin 2, Ireland

Tel: 00 353 (0)1 607 3000. Fax: 00 353 (0)1 607 3030. Email: info@forfas.ie

Website: www.forfas.ie

Companies Registration Office, 14 Parnell Square, Dublin 1, Ireland

Tel: 00 353 (0)1 804 5200. Fax: 00 353 (0)1 804 5222. Email: info@cro.ie

Website: www.cro.ie

Additional information on the Chambers of Commerce in Ireland can be found at:

Chambers of Commerce of Ireland, 17 Merrion Square, Dublin 2, Ireland

Tel: 00 353 (0)1 661 2888. Fax: 00 353 (0)1 661 2811. Email: info@chambers.ie

Website: www.chambers.ie

FURTHER SOURCES OF INFORMATION / USEFUL ADDRESSES

London Chamber of Commerce and Industry, 33 Queen Street, London, EC4R 1AP

Tel: 020 7248 4444. Fax: 020 7489 0391. Email: lc@londonchamber.co.uk

London Chamber of Commerce's World Trade Team, Information Centre and Euro Info Centre can provide information or advice on many topics relating to international trade and overseas markets, including Ireland. London Chamber of Commerce is a membership organisation but non-members can utilise certain services on a charged basis.

Website: www.londonchamber.co.uk

UK Trade and Investment, 66-74 Victoria Street, London, SW1E 6SW

Tel: 020 7215 4792. Fax: 020 7215 8313. Direct contact: Wendy Doak. Tel: 00 353 (0)1205 3755.

Email: wendy.doak@fco.gov.uk

UK Trade and Investment is the British government body responsible for helping UK companies secure overseas sales and investments. Their website has pages for each country in the world, including Ireland.

Website: www.uktradeinvest.gov.uk

Chambers of Commerce of Ireland, 17 Merrion Square, Dublin 2, Ireland

Tel: 00 353 (0)1 661 2888. Fax: 00 353 (0)1 661 2811. Email: info@chambers.ie

Website: www.chambers.ie

Dublin Chamber of Commerce, 7 Clare Street, Dublin 2, Ireland

Tel: 00 353 (0)1 644 7200. Fax: 00 353 (0)1 676 6043. Email: info@dublinchamber.ie

Website: www.dublinchamber.ie

Embassy of Ireland, 17 Grosvenor Place, London, SW1X 7HR

Tel: 020 7235 2171. Fax: 020 7245 6961.

Website: www.dfa.ie

British Embassy, 29 Merrion Road, Ballsbridge, Dublin 4, Ireland

Tel: 00 353 (0)1 205 3700. Fax: 00 353 (0)1 205 3890. Email: trade.dublin@fco.gov.uk

Website: www.britishembassy.ie



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