Ireland, knowledge is in our nature™

Ireland
Vital Statistics
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IDA IRELAND

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Introduction

Ireland can now convincingly claim to be a knowledge economy. This transformation has been underway for some time and has positioned Ireland well for winning a new breed of inward investment. The ability to use knowledge quickly, flexibly and creatively is a distinguishing feature of Ireland for many world-leading companies.

Re-enforcing Ireland's claim to be a knowledge economy are three key pillars:-

1) ***A Quality Education System*** *that ensures that citizens are equipped to acquire, use, and share knowledge. The IMD World Competitiveness Yearbook 2004 ranks Ireland's education system 5th from 60 countries surveyed for meeting the needs of a competitive economy. They also rank Ireland 2nd, behind Canada, for having the highest percentage of 25 – 34 year olds to have attained at least tertiary education.*

2) ***Innovation Systems*** *that bring together researchers and businesses in commercial applications of science and technology. Science Foundation Ireland (SFI) invests in academic researchers and research teams who are most likely to generate new knowledge and leading edge technologies and also advances co-operative efforts among education, government, and industry. In the Time Magazine cover story of 11th January 2004 on the brain drain of top European scientific researchers from the EU to North America, Ireland was singled out as an exception to the rule. The article detailed how, thanks to the work of SFI, Ireland is attracting the best and the brightest. IDA Ireland also encourages Research & Development by existing overseas companies in Ireland in the form of support and incentives.*

3) ***An Economic & Institutional Framework*** *that ensures a stable macroeconomic environment, competition, flexible labour markets and adequate social protection. The 2004 Index of Economic Freedom, compiled by the Wall Street Journal and The Heritage Foundation, categorised Ireland as a 'Free' economy, and ranked Ireland 5th out of 155 countries worldwide. It also states that 'Ireland has one of the world's most pro-business environments, especially for foreign businesses and foreign investment' and that 'Ireland's policy framework promotes an open and competitive business environment'.*

This 'pro-business environment' was further emphasised by the recent announcements in the 2004 Finance Act when –

- *the 9% tax charged on the transfers of Intellectual Property (IP) was abolished. The Act provides for an exemption from stamp duty on the sale, transfer or other disposition of IP. For the purposes of this exemption, IP includes any patent, trademark, copyright, registered design, design right, invention, domain name, supplementary protection certificate or plant breeders' rights. This will assist companies who wish to carry out R&D or manage their IP from Ireland. This is effective from 1st April 2004.*
- *an R&D Tax Credit for incremental expenditure by companies was introduced. The Act declared a tax credit of 20% in addition to a tax deduction at 10%/12.5% for R&D expenditure in Ireland with effect from 1st January 2004. The tax credit is available to Irish tax-resident companies engaged in in-house qualifying R&D undertaken within the European Economic Area (EEA), provided such expenditure is not otherwise eligible for tax benefit elsewhere within the EEA. The credit cannot be used to generate a tax refund but it can be carried forward indefinitely against a company's Irish corporate tax bill. This gives a potential Irish tax write-off for incremental R&D spend of up to 32.5%.*
- *an exemption from Capital Gains Tax (CGT) for Irish resident companies which make disposals from substantial shareholdings in trading subsidiaries tax resident in an EU or tax treaty country was also included. The scope of Ireland's double taxation relief provisions for dividend income paid to parent companies in certain cases was also expanded. This will also encourage companies to locate their headquarters in Ireland.*

General

Population in each Province 2002

Province	Persons	% Change in Population since 1996
Leinster	2,105,579	+9.4%
Munster	1,100,614	+6.5%
Connacht	464,296	+7.2%
Ulster (part of)	246,714	+5.3%
State	3,917,203	+8.0%

***Source**: Census 2002, CSO 2004.*

Largest Cities and Towns

Total Population (including suburbs or environs) 2002

City/Town	Population	City/Town	Population
Greater Dublin Area*	1,122,821	Tralee	21,987
Cork City	186,239	Kilkenny	20,735
Limerick City	86,998	Sligo	19,735
Galway City	66,163	Navan	19,417
Waterford City	46,736	Carlow	18,487
Dundalk	32,505	Naas	18,288
Drogheda	31,020	Wexford	17,235
Bray	30,951	Clonmel	16,910
Swords	27,175	Newbridge	16,739
Ennis	22,051	Celbridge	16,016

**The Greater Dublin Area includes Dublin City, Dun Laoghaire-Rathdown, Fingal and South Dublin.*

***Source**: Census 2002, CSO 2004.*

Economy

A strong rebound in Irish economic conditions has occurred in the first half of 2004. The principal driver has been the acceleration in international economic demand in the latter half of last year. The robust recovery continued to gain momentum throughout 2004 with the larger trading blocks like the US, Japan and China currently growing at rates above sustainable levels. The strength of global demand has led to a re-emergence in inflationary pressures, most evident in significantly higher raw material and fuel prices. While higher oil prices in particular have caused concerns that a renewed period of substantially higher inflation rates can be expected, the main short-term impact for Ireland is that the sharp downward trend in price growth over the last year has been halted. The medium-term trajectory is for the Irish economy to move back above its sustainable, potential growth rate of around 5%.

Country	Real GDP Growth 2002	2003	2004(F)	2005(F)
Ireland	**6.9%**	**1.4%**	**4.6%**	**5.2%**
UK	1.6%	2.2%	3.1%	2.7%
France	1.1%	0.5%	2.0%	2.6%
Germany	0.2%	-0.1%	1.1%	2.1%
Netherlands	0.2%	-0.7%	0.9%	2.1%
Spain	2.0%	2.4%	2.9%	3.3%
Portugal	0.5%	-1.3%	0.8%	2.4%
Switzerland	0.2%	-0.5%	1.8%	2.3%
USA	2.2%	3.1%	4.7%	3.7%
Japan	-0.3%	2.7%	3.0%	2.8%
Euro Area	0.9%	0.5%	1.6%	2.4%

***Source**: OECD Economic Outlook No.75, May 2004 & ESRI Quarterly Economic Commentary, Summer 2004.*

Inflation (HICP)

Country	2002	2003	2004(f)	2005(f)
Ireland	**4.6%**	**3.5%**	**2.0%**	**2.3%**
UK	1.3%	1.4%	1.4%	1.9%
France	1.9%	2.2%	1.9%	1.3%
Germany	1.3%	1.0%	1.1%	0.6%
Netherlands	3.9%	2.2%	1.2%	0.8%
Spain	3.6%	3.1%	2.3%	2.6 %
Portugal	3.7%	3.3%	2.0%	1.7%
Switzerland	0.6%	0.6%	0.2%	0.6%
USA	1.6%	2.3%	2.3%	2.0%
Japan	-0.9%	-0.3%	-0.2%	0.1%
Euro Area	2.3%	2.1%	1.7%	1.4%

***Source**: OECD Economic Outlook No.75, May 2004.*

Unemployment (% of Labour Force)

Country	2002	2003	2004(f)	2005(f)
Ireland	**4.4%**	**4.6%**	**4.5%**	**4.3%**
UK	5.2%	5.0%	4.8%	4.8%
France	9.0%	9.7%	9.9%	9.6%
Germany	8.1%	8.7%	8.8%	8.5%
Netherlands	2.3%	3.5%	5.0%	5.1%
Spain	11.4%	11.3%	10.9%	10.2%
Portugal	5.1%	6.4%	6.6%	6.1%
Switzerland	3.1%	4.0%	3.8%	3.4%
USA	5.8%	6.0%	5.5%	5.2%
Japan	5.4%	5.3%	5.0%	4.6%
Euro Area	8.4%	8.8%	8.8%	8.5%

***Source**: OECD Economic Outlook No.75, May 2004.*

Percentage Rate of Return of US owned Companies in Foreign Countries 1995-2002.

Country	%
Ireland	**20.1**
Netherlands	14.6
Switzerland	13.9
Denmark	13.4
Austria	13.0
Italy	10.8
Belgium	8.9
Germany	8.7
U.K.	7.6
France	6.2

Data Source: *US Bureau of Economic Analysis, 2003.*

Growth in GDP per hour worked 1995 - 2002

Country	%
Ireland	**5.20**
USA	2.05
Belgium	1.80
Germany	1.80
U.K.	1.80
France	1.80
Denmark	1.75
Netherlands	1.05
Italy	0.80
Spain	-0.20

Data Source: *OECD Science, Technology and Industry Scorecard, OECD, 2003.*

Exports/Imports of Goods and Services

	2001	2002	2003
Exports	€92,690m	€93,601m	€82,176m
Imports	€57,384m	€55,453m	€47,525m
Trade Surplus	€35,306m	€38,114m	€34,651m

Source: *External Trade, Central Statistics Office. March 2004.*

Destination of Exports Jan – Oct 2003

Great Britain and Northern Ireland	18%
Other EU States	43%
USA	21%
Rest of World	18%

Source: *External Trade, Central Statistics Office. March 2004*

External Trade

	Imports	Exports	Surplus
January 2004	€3,805m	€6,498m	€2,693m
February 2004	€3,854m	€7,092m	€3,238m
March 2004	€3,683m	€7,125m	€3,442m
April 2004	€4,180m	€7,700m	€3,520m

Source*: External Trade, Central Statistics Office. June 2004.*
***** *April figures are preliminary.*

Main Points – Economy

- The Irish economy outperformed all other European economies in the 1990's recording a growth rate throughout that period of three times the EU average.
- The IMD World Competitiveness Yearbook 2004 ranks Ireland third for GDP per capita at purchasing power parity (ppp), ahead of the USA (5th) and Switzerland (11th).
- Growth was driven by domestic demand as private consumption was boosted by gains in disposable incomes and wealth and investment remained strong.
- According to the Economist Intelligence Unit Business Environment Rankings, Ireland will remain one of the most attractive business locations in the world throughout the period 2004-2008.
- Ireland is ranked fifth by the IMD World Competitiveness Yearbook 2004 in terms of exports of goods as a percentage of GDP.

Demographics

According to the Census undertaken in April 2002, Ireland's population is 3,917,203 persons, compared with 3,626,087 persons in April 1996, representing an increase of 291,116 persons or 8% in six years. The rate of population growth was the highest experienced since the 1970's. The population of all four provinces increased between 1996 and 2002. Since the Census was undertaken in 2002 Ireland's population has increased further to 3,978,900 persons.

Population by Age Group April 2003
(000's)

	Total	% of Total
0-14	834.1	21%
15-24	642.8	16%
25-44	1,204.5	30%
45+	1,297.5	33%
Total	3,978.9	100%

Source: *Population and Migration Estimates, CSO, Dec 2003.*

Population by Age Group and Region, April 2003

Region	0–14	15–24	25–44	45+	Total
Border	97.1	67.1	121.4	150.4	436.0
Dublin	217.1	192.6	379.6	348.3	1,137.6
Mid-East	99.2	64.8	135.9	123.7	423.6
Midland	52.2	34.2	65.4	75.2	227.0
Mid-West	72.2	57.6	98.6	116.1	344.5
South-East	93.6	65.8	121.8	145.9	427.1
South-West	121.6	90.1	171.9	201.9	585.5
West	810.1	70.5	109.9	136.2	397.7

Source: *Population and Migration Estimates, CSO, Dec 2003.*

Population Projections by Region 2031

Region	Total	% Inc 2001-2031
Border	426.0	4.7
Dublin	1,650.8	56.0
Mid-East	520.0	49.7
Midland	185.2	-9.9
Mid-West	375.1	18.3
South-East	394.3	0.7
South-West	585.7	7.2
West	428.7	21.7
Total	4,566.6	25.9

Source: *Regional Population Projections, CSO. June 2001.*

Future Availability of workforce

% Population under 25 in the years 2010 & 2020

Country	% Population under 25 2010	2020
USA	34.8	33.5
Ireland	**34.0**	**32.8**
France	30.5	29.2
United Kingdom	29.9	27.5
Netherlands	29.4	27.5
Europe	27.5	24.7
Portugal	27.2	25.7
Hungary	26.6	23.4
Czech Republic	25.5	22.2
Germany	25.2	23.4
Spain	23.8	22.3
Japan	23.5	21.8

***Source**: Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, World Population Prospects: The 2002 Revision. (Latest Available)*

Average age of the population in the years 2010 & 2020

Country	Median Age (yrs) 2010	2020
USA	36.3	37.0
Ireland	**34.5**	**38.0**
France	40.1	42.2
United Kingdom	40.0	41.4
Netherlands	41.1	43.6
Europe	40.8	43.6
Portugal	40.1	44.0
Hungary	40.0	43.6
Czech Republic	40.5	44.7
Germany	44.0	46.7
Spain	41.5	46.1
Japan	44.5	48.2

***Source**: Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, World Population Prospects: The 2002 Revision. (Latest Available)*

Labour Force ('000)

The latest figures from the Quarterly National Household Survey relate to the period December 2003 – February 2004.

	Total
At Work	1,835.9
Unemployed	83.6
Total	1,919.5

Source: *Quarterly National Household Survey, CSO. June 2004.*

At Work by NACE Economic Sector ('000)

June – August 2003	Total	% of Total
Agriculture	118.9	6.5
Other Production Industries	297.4	16.2
Construction	202.3	11.0
Wholesale and retail trade	263.4	14.3
Hotels & Restaurants	113.1	6.2
Transport, Storage and communication	113.4	6.2
Financial and other business services	234.4	12.7
Public Administration & Defence	89.9	4.9
Education and Health	296.6	16.2
Other services	106.4	5.8
Total	1,835.9	100

Source: *Quarterly National Household Survey, CSO. June 2004.*

At Work by Occupation ('000)

June - August 2003	Total	% of Total
Managers & administrators	323.7	17.6
Professional	208.5	11.4
Associate professional & technical	165.6	9.0
Clerical & secretarial	218.9	11.9
Craft & related	244.3	13.3
Personal & protective service	189.3	10.3
Sales	154.9	8.5
Plant & machine operatives	161.8	8.8
Other	168.9	9.2
Total	1,835.9	100

Source: *Quarterly National Household Survey, CSO. June 2004.*

Net Migration ('000)

In the six year period between 1996 and 2002 Census births (324,103) exceeded deaths (185,921) by 138,182. The actual increase in population in the same period was 291,116. The difference of 153,200 is taken as an estimate of the extent to which inward migration in 1996-2002 was greater than outward migration.

	'98	'99	'00	'01	'02	'03
Emigrants	28.6	31.5	26.6	26.2	25.6	20.7
Immigrants	46.0	48.9	52.6	59.0	66.9	50.5
Net Migration	17.4	17.3	26.0	32.8	41.3	29.8

Source: *Population and Migration Estimates CSO, Dec 2003.*

Components of Population Change

	Year Ending	
	Apr 2002	Apr 2003
Natural Increase	28,800	31,900
Net Migration	41,300	29,800
Population Change	70,100	61,700

Source*: Population and Migration Estimates, CSO, Dec 2003.*

Births, Deaths and Estimated Net Migration

Components of Population Change 1996 - 2002			
	Persons	Males	Females
Births*	324,103	166,845	157,258
Deaths*	185,921	96,617	89,304
Natural Increase	138,182	70,228	67,954
Change in Population	291,249	144,955	146,294
Estimated Net Migration	153,067	74,727	78,340

**The data for births and deaths relate to events registered in the six year period ended 31st March 2002. The figures for the first quarter of 2002 are provisional.*

Source: *Census 2002, CSO 2003.*

Main Points

- The 2002 Census was the first in which the population of Leinster exceeded two million persons. Overall the increase in the Dublin region (+6.1%) was lower than that for the State as a whole (+8%). The populations of both Kildare and Meath both increased by over a fifth.
- The population of all counties apart from Cork City increased between 1996 and 2002. In total nine counties experienced an increase of 10% or more.
- Ireland's dependency ratio is among the most favourable in Europe. By 2005 it is projected by the United Nations that at 47% it will be the second lowest (after Spain) in the EU. Ireland has one of the youngest populations in Europe with 40% under the age of 25.
- Over the twelve-month period to February 2004 the labour force increased by 50,800 to reach 1,919,500.
- All counties benefited from the combined effect of inward and internal migration flows during 1996 to 2002. The counties that gained most were Meath, Kildare, Westmeath, Wexford and Laois.

- New entrants to the workforce (school leavers, immigrants and women) ensure labour availability in the future.
- The population of the Dublin region is projected to increase by over ½ million persons in the period to 2031.
- The young population (those aged 0-14 years) will increase by over a fifth in the Dublin region over the 35-year period due to rising births. However, in all other regions there will be fewer younger persons in 2031 compared with 1996. Overall the population of the State is projected to age on average by about 7½ years over the course of the 35-year period.

Corporation Tax

2004 Corporate Tax rate for selected countries

Ireland	**12.5%**
United Kingdom	30%
Belgium	33.99%
France	33.33%
Netherlands	34.50%
Spain	35%
Austria	34%
Germany	26.38%
Czech Republic	28.%
Poland	19%
Latvia	15%
Cyprus	15%
Lithuania	15%
Hungary	16%
Luxembourg	22.88%
Portugal	25%
Slovenia	25%
Estonia	26%
Sweden	28%
Finland	29%
Slovakia	29%
Denmark	30%
Italy	33%
Greece	35%
Malta	35%
United States	35%

Source: *Deloitte & Touche April 2004.*

% Increase in profit required to achieve the same distributable income available in Ireland

United Kingdom	25%
Belgium	33%
France	33%
Netherlands	34%
Spain	35%
United States	45%
Germany	46%
Estonia	18.24%
Cyprus	2.94%

Source: *Deloitte & Touche April 2004.*

- Since 2003 Ireland's corporate tax regime has changed to a rate of 12.5%. This applies to all Irish corporate trading profits.
- A rate of 25% applies to non-trading (passive) income.
- Existing overseas operations, which were eligible for a 10% rate, will retain entitlement to this rate until the end of year 2010. In the case of operations in the IFSC (International Financial Services Centre) and the Shannon Free Zone this rate will be applicable until 2005.

Education

Numbers in full-time Education 2001/2002 ('000)

	Total	% of Total
Primary	441.0	48.69%
Secondary	340.1	37.55%
Third Level	124.6	13.76%
Total	905.7	100.0%

Source: *Department of Education and Science, 2004.*

Rate of Retention at Second Level

1960	20%
1970	47%
1980	64%
1990	77%
2002	81%
2005/2006 (target)	90%

Source: *Department of Education and Science, 2004.*

The rate of retention at second level corresponds to the estimated percentage of entrants to Junior cycle in a given year who complete second level with a Leaving Certificate (including Leaving Certificate Applied).

Graduate Output by Field of Study 2001/02

Discipline	University	IT/DIT	Total
Business Studies	5,203	6,331	11,534
Accounting/Finance	501	499	1,000
Engineering	1,829	4,479	6,308
Science	3,313	1,674	4,987
Computer/Software Engineering	1,181	3,407	4,588
Others	14,057	5,669	19,726
Total	26,084	22,059	48,143

Source Data: *Colleges & Universities, 2004.*

Acceptances to Third Level Education by Subject Area 2003

Discipline	Degree	Diploma / Certificate	Total
Arts/Social Science	7,309	1,003	8,312
Science/Applied Science	3,486	1,279	4,765
Agric./Horticulture	139	260	399
Education	1,686	-	1,686
Admin./ Business	4,523	5,520	10,043
Engineering/ Tech.	2,853	4,560	7,413
Architecture	107	305	412
Art & Design	109	945	1,054
Law	787	375	1,162
Medicine	328	-	328
Veterinary	76	-	76
Dentistry	64	29	93
Pharmacy	147	-	147
Physiotherapy	138	-	138
Other Healthcare	2,183	122	2,305
Total	**23,935**	**14,398**	**38,333**

Source: *Central Applications Office (CAO), June 2004.*

Some Comparative Educational Data

Public Expenditure on Education as % of total Public Expenditure by level of education in 2000

Country	Total % All levels	Primary & Secondary %	Tertiary %
Ireland	**13.5**	**9.3**	**4.1**
Portugal	12.7	9.2	2.3
UK	11.8	8.3	2.5
France	11.4	8.0	2.0
Spain	11.2	7.8	2.4
Netherlands	10.7	7.0	2.9
Belgium	10.6	6.9	2.6
Italy	10.0	6.9	1.8
Germany	9.9	6.6	2.4

Source: *Education at a Glance, OECD 2003.*

Pattern of First Destination of Award Recipients in Higher Education (1999 - 2002)

First Destination	1999 (%)	2000 (%)	2001 (%)	2002 (%)
Gained Employment				
-Ireland	49	50.9	46.9	44.6
-Overseas	7.3	7.4	5.5	5.6
Work Experience	0.4	0.4	-	-
Seeking Employment	1.6	2.1	3.4	3.3
Further Studies	37.5	35.1	40.7	42.3
Not available for work/study	4.2	4.1	3.6	4.2

Source: *The Higher Education Authority, 2004.*

Main Points – Education

- In 2003, 55,374 students sat their Leaving Certificate Examination.
- In 2002 there was 193,328 students studying Science subjects in the Leaving Certificate Programme, with a further 90,792 studying a second language and 69,040 studying business subjects.
- Nett acceptances to third level institutions have increased by 37% between 1992 and 2002. There has been:
  - a 37% increase in the number studying Science/Applied Science courses;
  - a 23% increase in the number studying Engineering/Technology courses;
  - a 41% increase in the number studying Business/Administration courses.
- A high percentage of new entrants to third level education chose Business, Engineering or Computer Science courses.
- Ireland produced over 48,000 graduates in 2004.
- Of these almost 27,500 (57%) are graduates with qualifications in Engineering, Computer/Software Engineering, Business Studies and Science.
- The Department of Education and Science report that the student population in 2nd level education currently stands at 340,078 and in 3rd level education 124,589.

Wages & Salaries

Avg. Gross Industrial Earnings and Hours Worked (€) December 2003*

	Per Hour	Per Week	Hours worked per week
All Industries	13.84	558.69	40.4
Manufacturing	13.30	533.26	40.1

***Source**: Industrial Earnings and Hours Worked, CSO.*

March 2004

**Preliminary Estimates*

Average Gross Weekly Earnings of Clerical, Managerial & All Employees (€) December 2003*

	Clerical	Managerial	All Employees
All Industries	670.91	975.20	647.11
Manufacturing	659.22	947.62	622.78

***Source**: Industrial Earnings and Hours Worked, CSO.*
March 2004

**Preliminary Estimates*

Average Gross Earnings/Hours Worked for all industrial workers by sector (€) Dec. 2003*

	Per hour	Per week	Hours worked per week
Chemicals	16.10	650.82	40.4
Metals & engineering	12.76	533.03	41.8
Food & Beverages	13.81	547.59	39.6
Textiles	10.42	355.41	34.1
Other manufacturing	13.84	558.69	40.4

***Source**: Industrial Earnings and Hours Worked CSO.*
March 2004
**Preliminary Estimates*

Average Gross Weekly Earnings of Managerial and Clerical staff by sector (€) Dec. 2003*

	Clerical	Managerial
Chemicals	686.19	954.93
Metals & Engineering	575.73	915.31
Food & Beverages	646.20	1,044.34
Textiles	439.36	810.34
Manufacturing	670.91	975.20

***Source**: Industrial Earnings and Hours Worked, CSO.*
March 2004

**Preliminary Estimates*

Selection of Comparative Labour Costs (fully loaded €)

Shared Services

Employee	Ireland	London	Belgium	Neths.
Senior Accountant	64,975	88,280	74,598	66,399
Junior Accountant	54,262	64,591	57,665	51,037
Clerical/ Admin	41,062	44,868	51,036	39,902

***Source:** Watson Wyatt, July 2004.*

Software

Employee	Ireland	London	Germany	Switz.
Programmer *Entry*	50,314	61,391	69,746	85,962
Programmer *Experienced*	64,716	82,721	90,243	107,360
IP Manager	89,923	123,119	114,441	135,069
Project Manager	100,743	117,504	114,385	129,491
Product Engineer	47,963	64,401	71,718	86,589
International Tax Manager	109,555	132,093	124,345	141,322

***Source:** Watson Wyatt, July 2004.*

Contact Centres

Employee	Ireland	UK Midlands	Germany	Neths.
Customer Service Manager	74,082	100,400	116,419	94,668
Call Centre Manager	53,662	76,692	92,984	72,314
Customer Service Rep.	38,381	41,076	65,390	46,657
Customer Service Agent	34,422	34,433	55,882	38,950
Telemarkt. Team Leader	51,055	60,760	82,083	47,352
Jnr. Inbound Telesales	29,783	34,546	47,976	33,682
Outbound Telesales	31,784	39,899	53,358	34,723

***Source:** Watson Wyatt, July 2004.*

Electronics

Employee	Ireland	N. East England	Scotland	Neths
Operator – *Entry level*	26,298	34,190	31,248	32,616
Operator – *Experienced*	31,956	37,841	34,599	35,086
Team Leader – *Entry level*	38,107	50,705	47,391	42,039
Team Leader – *Experienced*	45,870	60,048	53,678	48,406
Technician – *Entry level*	35,363	46,906	34,635	38,980
Technician – *Senior level*	42,160	67,415	49,632	48,706
Engineer – *Entry level*	41,605	58,598	40,051	49,565
Engineer – *Senior level*	61,411	85,718	60,642	75,852
Semiconductor Engineer – *Experienced*	57,881	64,772	58,290	58,619
IP Manager	88,099	107,751	103,056	83,934
Product Engineer	50,865	69,855	60,803	53,661
International Tax Manager	102,060	136,367	127,292	118,713
Supply Chain Manager	84,091	91,766	85,577	71,190

Source: *Watson Wyatt, July 2004.*

eBusiness

Employee	Ireland	UK London	Neths
International Tax Manager	86,005	175,370	122,857
Web Development Manager	90,126	101,662	83,240
Telesales Representative	42,883	45,516	41,167
Web Designer	48,201	60,435	39,556
MIS/IT Systems Analyst	50,908	62,200	41,870
Media Developer	62,001	71,057	58,230
Network Planning Manager	91,271	118,814	87,366

Source: *Watson Wyatt, July 2004.*

Pharma/Healthcare

Employee	Ireland	UK	Germany	Neths
Engineering Manager	128,129	134,501	159,993	102,721
Head of Regulatory Affairs	154,738	143,937	205,666	124,847
Head of Quality Control	114,173	125,236	154.946	100,067
Quality Control Technician	37,843	44,397	56,749	47,232
Head of R&D	152,595	156,359	225,586	127,419
Production Manager	113,933	134,501	163,726	143,636
Pharmacist	52,882	64,760	81,140	57,861
Plant Manager	94,949	118,106	121,412	111,290
Manufacturing Supervisor	72,916	84,377	111,466	82,771
Manufacturing Engineer – Experienced	58,741	68,139	90,145	64,737
Manufacturing Technician	63,849	56,968	81,140	57,861

Source: *Watson Wyatt, July 2004.*

Social Security Contributions

PAYE Related Social Insurance is payable by employers and employees. The contributions from 1st January 2004 are:

Employer	10.75% 8.5% if income is €356 per week or less
Employee - PRSI - Health	6.0% on all earnings except the first €127 per week, up to a ceiling of €40,420 per annum. 0% if income below €287 per week 2.0% on gross income. (Those earning less than €356 per week are exempt from this contribution).
Total	8.0%

Personal Tax Rates

	€ & Rate	
Single/Widowed Without Dependent Children	First 28,000 @ 20%	Balance @ 42%
Single/Widowed Qualifying for one-parent family tax credit	First 32,00 @20%	Balance at 42%
Married One Income	First 37,000 @20%	Balance @ 42%
Married Two Incomes	First 37,000 @20% (With Increase of 19,000 max)	Balance @ 42%

Wage Inflation

Since 1987, national pay agreements between employees, employers and government have played a central role in helping monetary policy keep inflation under control by promoting wage moderation.

The current agreement aims to keep Ireland's economy competitive in a rapidly changing world, provide a strong basis for further economic prosperity, improve the quality of life and living standards for all and to bring about a fairer and more inclusive Ireland.

Sustaining Progress – Social Partnership Agreement

The negotiations on the new national Agreement were formally launched on 31st October 2002. The programme covers the period 2003 – 2005. Sustaining Progress (SP) is the sixth successive accord of its type since the negotiation of the Programme for National Recovery (PNR) in 1987.

In June 2004, the Irish social partners negotiated a draft pay deal under stage two of the current Sustaining Progress national partnership agreement. If ratified, it will provide for an average pay rise of 5.5% over 18 months. The pay element of the agreement was divided into two 18-month stages, as a result of uncertainty when it was negotiated in early 2003. It was the first of the six such national agreements since 1987 not to include a full three-year pay settlement. Stage one of the pay element of SP expired in June 2004 in the private sector. It provided for a 7% pay increase over 18 months – in three instalments of 3%, 2% and 2%.

A deal on stage two of the SP pay element – also lasting for 18 months – was reached on 18 June 2004. If formally ratified by the Irish Congress of Trade Unions (ICTU) and the Irish Business and Employers Confederation (IBEC), the proposed new agreement would be worth an average pay rise of 5.5% over 18 months – bringing the total increase over the 36 months of SP to 12.5%. The 5.5% increase would be paid on a phased basis, spread over the final 18 months of SP, with a further 0.5% for workers who currently earn less than €9 an hour (or a maximum of €351 a week).

Sustaining progress also contains a number of other specific commitments in the industrial relations area, such as: improved statutory redundancy pay provisions; an increase in the minimum wage in 2004; and changes to existing provisions that cover the right of workers to representation on workplace issues under the Industrial Relations (Amendment) Act 2001.

Source: *European Industrial Relations Observatory On-Line, June 2004.*

Main Points

- A series of wage agreements between employers and employees ensures that wage inflation is kept relatively low.
- Ireland's hourly compensation cost for production workers in manufacturing has increased only moderately from $14.13 in 1996 to $15.55 in 2003.
- In Ireland there has been consistent evidence of a strong correlation between company size and the level of remuneration for a particular job. In essence pay levels are determined by three factors:- the job itself, the level of responsibility attached to it and the size of the company.

Working Hours and Holidays

Employment legislation in Ireland governs a few crucial and basic areas. Maximum hours of work for industrial workers are set at 48 hours per week plus 12 hours overtime but, in practice, the average is 39 hours per week. Statutory leave has been increased gradually over the last number of years in Ireland and now the statutory minimum is 4 weeks per annum.

Working Hours

Country	Legal Max. working hours per week	Legal Max. working hours per day	Range of main collectively – agreed weekly hours
Ireland	**48**	**Not Specified**	**39**
Belgium	38	8 (9 for 5-day week)	35-38
Denmark	Regulated by Agreement	Regulated by Agreement	37
France	35	10	35
Germany	48	8	35-38 West 36.5-40 East
Italy	40	Not Specified	36-40
Luxembourg	40	8	37-40
Netherlands	45	9	35-38
Portugal	40	8	35-40
Spain	40	9	34-38
UK	48	Not Specified	35-40

Source: *Incomes Data Services Ltd, January 2004.*

Holidays

Country	Statutory Min. Annual Leave Days	Range in Collective Agreement	Public Holidays
Ireland	**20**	**20-25**	**9**
Belgium	20	20-25	10
Denmark	25	30	11
France	25	25-30	11
Germany	20	28-30	9-12
Italy	20	20-30	12
Luxembourg	25	26-30	10
Netherlands	4x days worked per week	23-30	8
Portugal	22	22-25	12
Spain	22	22-25	14
UK	20	20-30	8

Source: *Incomes Data Services Ltd, January 2004.*

Telecommunications

Ireland has one of the most advanced and competitive telecommunications infrastructures in Europe. The telecommunications market is fully de-regulated and numerous companies have entered the market. Large investments in recent years have resulted in state-of-the-art optical networks with world-class national and international connectivity.

Examples of International Direct Dialling € per minute

Destination	Peak Time	Off-Peak Time
UK	0.1535	0.1443
Germany, Benelux, France	0.2420	0.2420
Austria, Denmark, Finland, Spain etc.	0.3872	0.3872
USA & Canada	0.1904	0.1523

Source*: Eircom, June 2004.*

Comparison of Cost of International Calls 100–line Business Customer

Avg. cost per call per min. (€PPP) as at July 2003

Ireland	**0.18**
Belgium	0.12
Finland	0.43
France	0.09
Germany	0.15
Italy	0.20
Netherlands	0.09
UK	0.16

Source: *Analysys, January 2004*

64kbit/s Int'l Half Circuit to US

Avg. cost per line per Year (€PPP) as at July 2003

Ireland	**14,881**
Belgium	15,231
Finland	20,833
France	11,915
Germany	20,872
Italy	25,325
Netherlands	19,691
UK	17,761

Source: *Analysys, January 2004.*

Total Cost 2Mbit/s Int'l Half Circuit to US

Avg. cost per line per Year (€PPP) as at July 2003

Ireland	**148,853**
Belgium	152,709
Finland	392,935
France	179,824
Germany	229,772
Italy	228,879
Netherlands	191,426
UK	71,143

Source: *Analysys, January 2004.*

Approximate Cost of International FreeFone € per minute (excluding VAT)

Band	Origin of Call		International Freefone Subscriber Subscription Option 1	2	3	4	5	6	7	8	9	10
		Base Rate	Subscription Cost of each Option (€) 50	650	2,000	5,000	7,500	10,000	15,000	20,000	30,000	40,000
1	UK	.1679	.12	.11	.10	.09	.09	.09	.08	.08	.07	.07
2	Near Europe	.3149	.18	.17	.16	.15	.14	.13	.12	.11	.10	.09
3	Mid Europe	.3988	.24	.23	.21	.19	.18	.17	.16	.15	.14	.13
4	Far Europe & North Africa	.7618	.53	.52	.50	.44	.42	.39	.37	.36	.36	.32
5	USA & Canada	.2413	.17	.17	.16	.13	.13	.12	.10	.09	.09	.09
7	Australia, New Zealand, Japan, Singapore & Hong Kong	.7089	.50	.49	.46	.45	.42	.41	.41	.39	.38	.35
8	Middle East & South Africa	1.028	.72	.70	.67	.59	.59	.59	.59	.54	.52	.50
9	Rest of Pacific Rim	1.015	.71	.70	.67	.58	.41	.41	.41	.40	.40	.40

Source: *Eircom, June 2004. The subscription cost is the committed monthly spend after discount*

Electricity

Sample Demand Charges for Industrial Electricity in Ireland

	Medium Voltage 10kV/20kV	High Voltage 38kV	110kV
Standing Charge Per 2 Months	€476.00	€2,250.00 / €6,400.00	€1,720.00
Summer For Each kW	€3.15	€3.30	€2.05
Winter For Each kW	€6.10	€4.95	€4.25

***Source**: ESB, January 2004.*

International Industrial Electricity Prices

(per kWh)

Country	US$
Ireland	**0.077**
UK	0.054
France	0.037
Netherlands	0.058
US	0.047
Germany	0.079
Spain	0.041

***Source**: Key World Energy Statistics, International Energy Agency, 2003.*

Water

The cost of metered water for industrial use in Ireland varies by county. In addition, most local authorities have a charge for meter rental. Again this varies with most charging below €126. Some local authorities also have a minimum charge.

Water Rates per 1,000 (UK) gallons for 2004

County	Area	Rate €
Dublin	Corporation	5.72
Dublin	North Dublin/Fingal	5.36
Dublin	South Dublin County	4.20
Dublin	Dun Laoghaire /Rathdown	6.56
Cork	City	9.23
Cork	North County	3.50
Cork	South County	3.51
Cork	West County	3.70
Galway	City	4.75
Galway	County	3.30
Limerick	City	5.39
Limerick	County	5.23
Waterford	City	2.85
Waterford	County	4.40

***Source**: Various Local Authorities, June 2004.*

Oil and Gas Prices

International Comparison of Retail Prices
US$/Unit

Product	Heavy Fuel Oil for Industry Per Tonne	Natural Gas for Industry 10 kcal GCV
Ireland	**271.60**	**199.10**
France	189.70	187.27
Germany	200.03	187.93
Netherlands	244.22	208.35
Spain	213.28	189.64
UK	219.53	154.73
USA	174.48	176.27

Source: *Key World Energy Statistics, International Energy Agency, 2003.*

Gas Prices
Standard Industrial/Commercial Tariff

Rates per Two Months	Rate per Kwh € cent Exclusive of VAT
0 – 3,000 Kwh	3.072
3,001 – 7,500 Kwh	2.836
7,501 – 15,000 Kwh	2.599
15,001 +Kwh	2.364

Source: *Bord Gais, June 2004.*

Gas Prices
Demand and Commodity Tariff

Usage per Year	Rate per Kwh € cent Exclusive of VAT
Tariff 1 450,000 – 2,400,00 kWh Standing Charge: €1,662.35 a year plus €83.14 a year for each additional meter installed	2.08
Tariff 2 240,000 kWh + Standing Charge: €4,987.03 a year plus €83.14 a year for each additional meter installed	1.937

Source*: Bord Gais, June 2004.*

Factory and Office Prices

Factory Rental Costs (per sq. ft. per annum)

Dublin	€6 – €12
Outside Dublin	€5 – €9

Source*: IDA Property Division, June 2004.*

Office Rental Costs (per sq. ft. per annum)

Dublin – City Centre	€14 - €57
Dublin – Suburbs	€10 - €37
Cork	€13 - €25
Galway	€9 - €20
Limerick	€15 - €16
Waterford	€11 - €15

Source*: IDA Property Division, June 2004.*

Comparative World City Office Rental Costs in Prime Locations (per sq. ft. p.a.)

London (West End)	€127
Tokyo (Inner Central)	€100
London (City)	€98
Paris	€80
Birmingham	€62
Milan	€58
Edinburgh	€57
Manchester	€57
Dublin	€57
Zurich	€54
Frankfurt	€52
Rome	€50
Stockholm	€45
New York City (Midtown)	€45
Madrid	€44
Brussels	€40
Prague	€30

Source*: CB Richard Ellis 2004*

Cost of Living

World Cost of Living

City	Rank
Tokyo	1
London	2
Hong Kong	5
Geneva	6
Copenhagen	8
Zurich	9
New York	12
Milan	13
Dublin	**14**
Paris	17
Rome	21
Luxembourg	29

Source: *Mercer Human Resource Consulting, Cost of Living Survey 2004.*

There have been some dramatic movements in the rankings this year which are largely due to currency fluctuations, particularly of the US dollar and the Euro. Tokyo remains the world's most expensive city, according to the latest cost of living survey by Mercer Human Resource Consulting. London moves up to take second position.

Since the Euro was introduced in 2002, many European cities have moved up in the rankings. London is the most expensive city in Europe. High accommodation and transport costs together with the appreciation of the pound against the US dollar have pushed the city up in the rankings. After London, Geneva is the next most expensive city in Europe ranked in 6th position followed by Copenhagen in 8th place. Other high scoring cities include Zurich ranked 9th, Milan ranked 13th, Dublin in 14th place and Paris in 17th position.

At the other extreme, three of the five cheapest European cities are in countries that gained EU accession in May. Bucharest in Romania is the least expensive city ranked 129th followed by Limassol in Cyprus in 95th place.

New York remains the most expensive city in north America, at 12th position in the rankings. Other costly cities include Los Angeles ranked 27th, Chicago in 35th place and San Francisco in 38th place. Pittsburgh is the cheapest US city surveyed, ranked 112th. All the United States cities have dropped in the rankings due to the depreciation of the dollar against European, Canadian and Asian Pacific currencies.

Transport

Scheduled Flights from Cork, Dublin & Shannon International Airports

Destination	Number of flights per Day		
	Cork	Dublin	Shannon
Amsterdam	1	5	1
Atlanta		1*	1
Barcelona	0-1	2	
Boston		1*	1
Brussels		6-7	1
Budapest		1	
Chicago		1	1
Copenhagen		2	
Düsseldorf		2	
Frankfurt		4	0-1
London	7	53	5
Los Angeles		0-1	
Luxembourg		1	
Madrid		2	
Milan	0-1	3	
Munich		1	
New York		3*	2
Other	10	38	6
Paris	1	11-12	1
Prague	1	1-2	
Rome	0-1	2	
Stockholm		2	
UK (other)	15	68	5
Zurich		1	

**Some flights via Shannon International Airport*
Source: *Aer Rianta, January 2004.*

Important Shipping Facts

Service	UK Direct	Transit Time	Europe Direct	Transit Time
RO/RO	186 weekly	1.4 - 10 hours	12 weekly	17 – 19 hours
LO/LO	23 weekly	2 – 10 hours	79 weekly	24 – 80 hours

Source: *Irish Maritime Development Office, 2004.*

Sample RO/RO Shipping Costs (Port to Port)

Irish Port	Destination Port	Avg TEU/Trailer €
Dublin	Holyhead	290
Dublin	Liverpool	520
Dublin	Cherbourg	1,050
Cork	Swansea	310
Cork	Roscoff	805
Rosslare	Fishguard	335
Rosslare	Pembroke	245
Rosslare	Cherbourg	490

Source*: Irish Maritime Development Office, 2004.*

Sample LO/LO Shipping Costs (Port to Port)

Irish Port	Destination Port	Avg TEU/Trailer €
Dublin	Rotterdam	172
Cork	Rotterdam	172
Waterford	Rotterdam	255
Drogheda	Rotterdam	255
Dublin	Liverpool	175
Dublin	Antwerp	195
Cork	Le Havre	190
Dublin	Le Havre	190
Waterford	Cherbourg	200
Cork	Le Havre	190

Source*: Irish Maritime Development Office, 2004.*

International Container Rates (Door to Door)

Irish Port	Destination Port	Avg per 45' Unit €
Dublin	Amsterdam	615
Dublin	Brussels	630
Dublin	Paris	860
Dublin	Luxembourg	870
Dublin	Berlin	1,295
Dublin	Milan	1,335
Dublin	Vienna	1,760

Source*: Irish International Freight Forwarders Association, 2004*

Foreign Investment in Ireland

Number and Employment in IDA Client Companies in Ireland 2003

Country of Origin	Number of Companies	Total Employment
Australia	9	286
Austria	2	244
Belgium	12	890
Bermuda	8	308
Canada	16	1,033
China	1	7
Denmark	9	2,015
Finland	4	420
France	39	2,181
Germany	149	11,394
Greece	1	48
Israel	1	75
Italy	24	625
Japan	32	2,461
Korea South	9	283
Liechtenstein	1	11
Luxembourg	4	175
Netherlands	39	2,602
South Africa	4	39
Spain	3	16
Sweden	17	2,299
Switzerland	25	2,635
Taiwan	2	186
Turkey	5	26
United Kingdom	118	8,086
United States	489	89,158
Other Non-Euro	2	75
OVERSEAS	**1,025**	**127,578**
Ireland**	29	1,415
TOTAL	**1,054**	**128,993**

Source*: IDA Employment Survey 2003, June 2004.*

*** Accounted for by Irish Financial Services Companies*