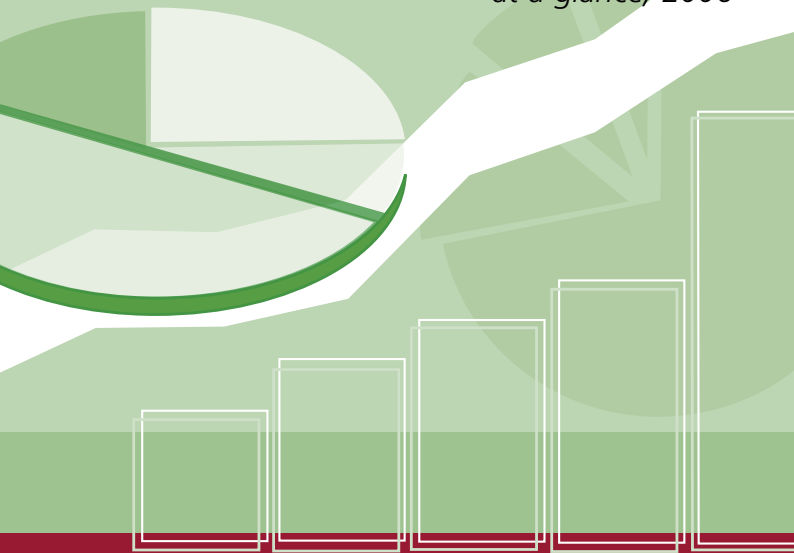


# Enterprise Statistics

– at a glance, 2006



**Forfás**





# Enterprise Statistics

– *at a glance, 2006*

Forfás

Wilton Park House

Wilton Place

Dublin 2

Tel: 01-607 3000

Fax: 01-607 3030

Website: [www.forfas.ie](http://www.forfas.ie)

Email: [info@forfas.ie](mailto:info@forfas.ie)



# Foreword

2006 was another strong year for the Irish economy, with the ESRI estimating an increase in GNP of 6.2 percent. Growth was driven primarily by strong consumer and government demand. The ESRI estimate that over nine-tenths of economic growth in 2006 is attributable to these two sources of demand.

Export growth was nine percent in the first nine months of 2006 compared to the same period in 2005, with Ireland likely to post another record year in 2006. The strong increase in imports in 2006 resulted in net-exports having a negligible effect on overall economic growth.

Export growth in 2006 was led by a strong growth in services. Exports of services increased by almost 20 percent in the first nine months of 2006 compared to the same period in 2005. In 2000, the export of services accounted for only one-fifth of total foreign earnings – in the first nine months of 2006 this had almost doubled. This growth has been led by sales of software, financial services and other business services. Goods exports in the first nine months of 2006 increased slightly over the

corresponding period in 2005, and remain substantially higher than in 2003. The cumulative growth in goods exports since 2000 has lagged behind the growth in world trade volume, resulting in a fall in Ireland's global market share.

Employment in firms supported by IDA and Enterprise Ireland also grew in 2006, returning to the level last seen in 2002. In 2005, total employment by firms supported by the agencies was still five percent below the record levels witnessed in 2000 at the height of the last global economic boom. Employment growth in the wider economy in recent years has been very strong, with construction, public administration, education and health accounting for 53,000 of the 83,000 jobs increase in 2006.

The impact of exporting firms on the local economy is substantial. Exporting firms contribute directly to the local economy through their payroll and through the purchase of raw materials and services. Total expenditure by these firms in the Irish economy, excluding corporation tax receipts, amounted to €34.2 billion in 2005, which consists of €11.3 billion on payroll costs, €13.2 billion on Irish produced raw materials and €9.7 billion on Irish services.

Ireland continues to be an attractive investment location for foreign firms, while Irish firms are continuing to develop a

strong presence overseas. Ireland has a high share of inward foreign investment compared to other countries. The cumulative stock of inward direct investment was \$211 billion in 2005 and as a proportion of GDP it was triple the EU average. Over half of this investment comes from the US and a quarter from the UK. In recent years Irish firms have been increasingly investing abroad, and Ireland now has a larger stock of outward direct investment as a percentage of GDP than most EU countries amounting to \$118 billion in 2005.

Good progress is being made in improving Ireland's knowledge economy performance in recent years. Research & Development (R&D) performance in the Irish business sector remained strong in 2005 and is forecast to continue growing into 2006. R&D spending in the business sector (BERD) rose by almost 10 percent from 2004 to 2005 to €1.33 billion, reflecting a robust R&D spending performance by both Irish and foreign owned firms. Innovation performance in the business sector is also strong, with 52 percent of all firms operating in Ireland classified as active innovators in 2004, which is close to the EU average.

**Martin Cronin**

January 2007





# Index

## Section 1 – Output and Employment

---

Performance of Irish enterprise in terms of output, employment, value added and expenditure in the Irish economy.

Chart	Page
<hr/>	
1.1 Manufacturing and Internationally Traded Services Output, 2000-2006	14
1.2 Full Time Employment in Agency Assisted Firms by Firm Ownership, 2000-2005	15
1.3 Employment in the Irish Economy by Sector, 2000 and 2006	16
1.4 Total Value Added in Agency Assisted Firms, 2000-2005	17
1.5 Value Added by Sector in Agency Assisted Firms, 2005	18
1.6 Total Direct Irish Economy Expenditure in Agency Assisted Firms, 2000-2005	20
1.7 Direct Irish Economy Expenditure by Sector by Agency Assisted Firms, 2005	21

## Section 2: International Trade in Goods

---

Exports and imports of goods in terms of aggregate trends, destination of exports and sources of imports.

Chart	Page
2.1 Ireland's Goods Trade, 2000-2006	24
2.2 Composition of Ireland's Goods Exports, 2000-2005	25
2.3 Geographic Distribution of Ireland's Goods Exports, 2006	26
2.4 Composition of Ireland's Goods Imports, 2000-2005	27
2.5 Geographic Distribution of Ireland's Goods Imports, 2006	28

## Section 3: International Trade in Services

---

Exports and imports of services in terms of aggregate trends, destination of exports and sources of imports.

Chart	Page
3.1 Ireland's Services Exports, 2000-2006	30
3.2 Composition and Geographical Distribution of Ireland's Services Exports, 2004	31
3.3 Ireland's Services Imports, 2000-2006	32
3.4 Composition and Geographic Distribution of Ireland's Services Imports, 2004	33
3.5 IFSC Services Exports and Imports, 2000-2006	35

## Section 4: Foreign Direct Investment

---

Trends in inward and outward direct investment, sources of inward investment and destination of outward investment.

Chart	Page
4.1 Net Job Creation in Agency Assisted Foreign Owned Companies, 2000-2005	36
4.2 Source of Ireland's Inward Foreign Direct Investment Flows, Average 2001/2003	36
4.3 Cumulative Stock of Inward FDI as a Percentage of GDP, 2005	37
4.4 Ireland's Outward Foreign Direct Investment Flows, 2000-2006	38
4.5 Destination of Irish Outward Direct Investment, 2005/2006	38
4.6 Cumulative Stock of Outward FDI as a Percentage of GDP, 2005	39



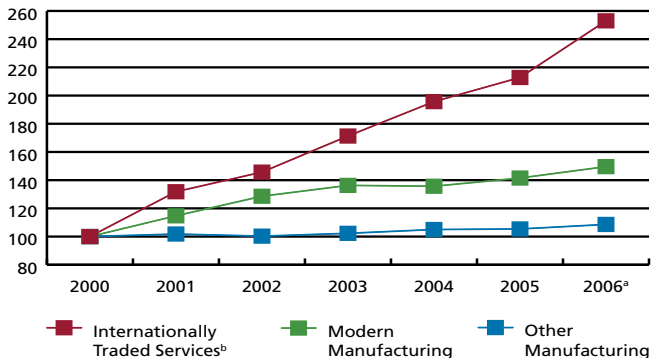
# Section 1

---

## Output and Employment



## 1.1: Manufacturing and Internationally Traded Services Output, 2000-2006

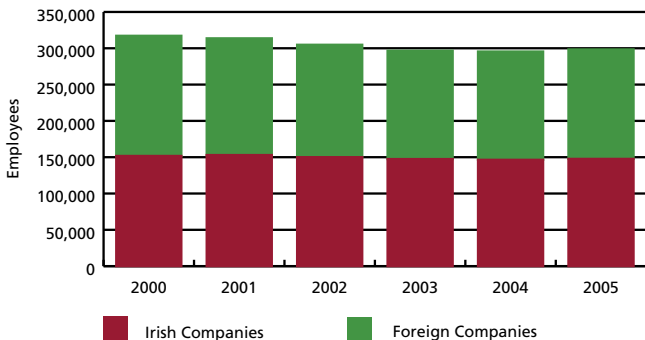


Source: Manufacturing figures are taken from *Industrial Production & Turnover, September 2006 (Provisional) and August 2006 (Final)*, CSO.

Downloaded from Databasedirect [www.cso.ie](http://www.cso.ie), 24 November 2006.

	2000	2001	2002	2003	2004	2005	2006 <sup>a</sup>
Internationally Traded Services <sup>b</sup>	100	131.8	145.7	171.3	195.7	212.8	253.0
Modern Manufacturing	100	114.7	128.6	136.3	135.7	141.5	149.6
Other Manufacturing	100	101.8	100.3	102.3	105	105.4	108.6

## 1.2: Full Time Employment in Agency Assisted Firms by Firm Ownership, 2000-2005

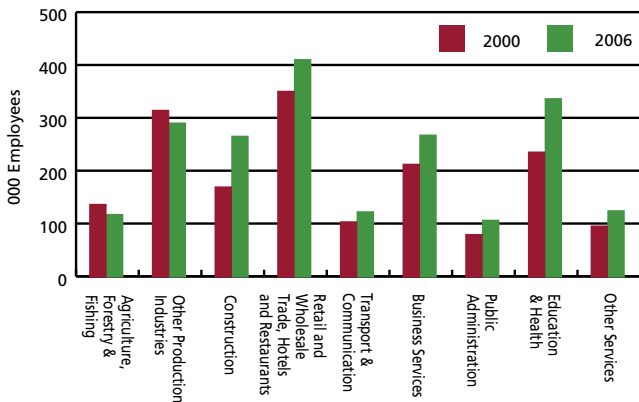


Source: Annual Employment Survey 2005, Forfás.

Employees	2000	2001	2002	2003	2004	2005
Irish Companies	151,712	152,966	150,030	147,426	146,414	147,683
Foreign Companies	165,461	160,715	154,791	149,081	149,079	150,689
Total	317,173	313,681	304,821	296,507	295,493	298,372
Irish Companies as a % of Total	47.8%	48.8%	49.2%	49.7%	49.5%	49.5%
Foreign Companies as a % of Total	52.2%	51.2%	50.8%	50.3%	50.5%	50.5%



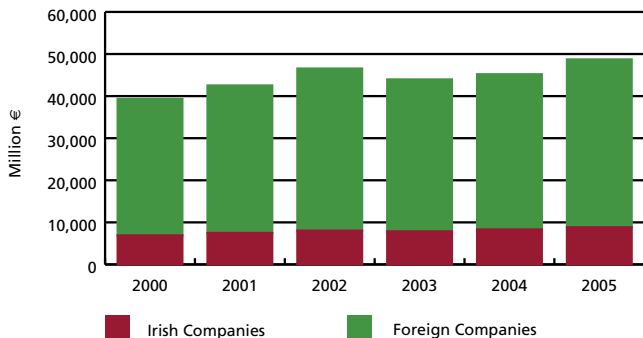
### 1.3: Employment in the Irish Economy by Sector, 2000 and 2006



Source: Quarterly National Household Survey Q2 2006, Central Statistics Office, downloaded from [www.cso.ie](http://www.cso.ie), 24 November 2006.

000 Employees <sup>c</sup>	2000	2006	% Change
Agriculture, Forestry & Fishing	135	116	-14%
Other Production Industries	313	289	-8%
Construction	168	264	57%
Retail and Wholesale Trade, Hotels and Restaurants	349	409	17%
Transport & Communication	102	121	18%
Business Services	211	268	27%
Public Administration	78	105	34%
Education & Health	234	335	43%
Other Services	94	123	31%
Total	1,684	2,030	21%

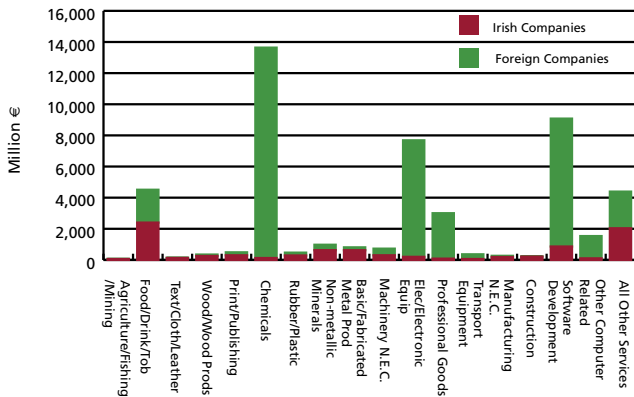
## 1.4: Total Value Added in Agency Assisted Firms, 2000-2005



Source: Annual Business Survey of Economic Impact 2005, Forfás.

Million €	2000	2001	2002	2003	2004	2005
Irish Companies	6,908	7,479	8,040	7,863	8,322	8,836
Foreign Companies	32,404	35,047	38,506	36,092	36,865	39,873
Total	39,312	42,526	46,546	43,955	45,187	48,709
Irish Companies as a % of Total	17.6%	17.6%	17.3%	17.9%	18.4%	18.1%
Foreign Companies as a % of Total	82.4%	82.4%	82.7%	82.1%	81.6%	81.9%

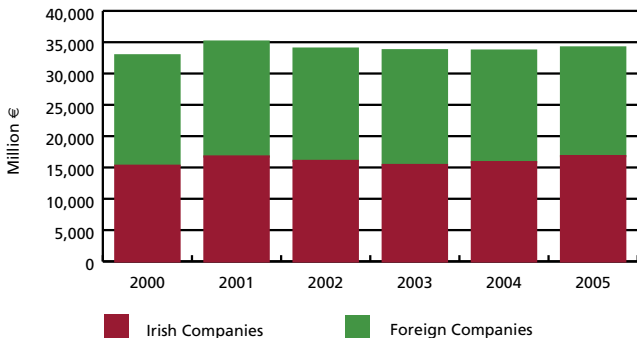
## 1.5: Value Added in Agency Assisted Firms by Sector, 2005



Source: Annual Business Survey of Economic Impact 2005, Forfás.

Million €	Irish Companies	Foreign Companies
Agriculture/Fishing/Mining	60	10
Food/Drink/Tob	2,398	2,111
Text/Cloth/Leather	129	15
Wood/Wood Prods	254	92
Print/Publishing	298	191
Chemicals	123	13,515
Rubber/Plastic	286	183
Non-metallic Minerals	626	350
Basic/Fabricated Metal Prod	624	185
Machinery N.E.C.	299	426
Elec/Electronic equip	199	7,485
Professional Goods	83	2,919
Transport Equipment	59	303
Manufacturing N.E.C.	188	77
Construction	214	10
Software Development	862	8,217
Other Computer Related	102	1,431
All Other Services	2,034	2,355
Total	8,836	39,873

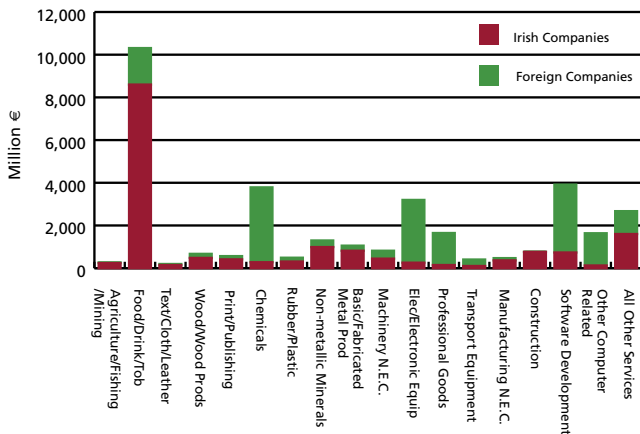
## 1.6: Total Direct Irish Economy Expenditure in Agency Assisted Firms, 2000-2005



Source: Annual Business Survey of Economic Impact 2005, Forfás.

Million €	2000	2001	2002	2003	2004	2005
Irish Companies	15,270	16,750	16,040	15,389	15,847	16,809
Foreign Companies	17,635	18,348	17,935	18,326	17,811	17,351
Total	32,905	35,098	33,975	33,715	33,658	34,160
Irish Companies as a % of Total	46.4%	47.7%	47.2%	45.6%	47.1%	49.2%
Foreign Companies as a % of Total	53.6%	52.3%	52.8%	54.4%	52.9%	50.8%

## 1.7: Direct Irish Economy Expenditure by Agency Assisted Firms by Sector, 2005



Source: Annual Business Survey of Economic Impact 2005, Forfás.

Million €	Irish Companies	Foreign Companies
Agriculture/Fishing/Mining	240	28
Food/Drink/Tob	8,600	1,710
Text/Cloth/Leather	146	50
Wood/Wood Prods	481	190
Print/Publishing	412	153
Chemicals	278	3,507
Rubber/Plastic	310	180
Non-metallic Minerals	988	309
Basic/Fabricated Metal Prod	816	239
Machinery N.E.C.	446	371
Elec/Electronic equip	257	2,940
Professional Goods	147	1,500
Transport Equipment	102	303
Manufacturing N.E.C.	364	107
Construction	763	3
Software Development	734	3,179
Other Computer Related	126	1,510
All Other Services	1,600	1,071
Total	16,809	17,351

## Section 2

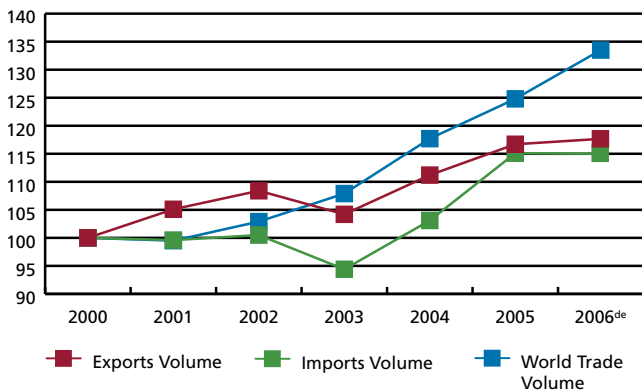
---

### International Trade in Goods





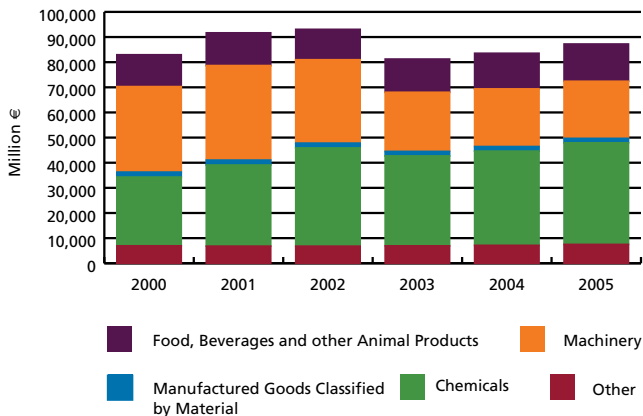
## 2.1: Ireland's Goods Trade 2000-2006



Source: World export volumes from WTO, Irish data from External Trade Bulletin, Central Statistics Office.

State	2000	2001	2002	2003	2004	2005	2006 <sup>d,e</sup>
Exports Volume	100.0	105.1	108.4	104.2	111.2	116.7	117.5
Imports Volume	100.0	99.6	100.5	94.4	103.1	115.1	115.1
World Trade Volume	100.0	99.5	102.9	107.9	117.7	124.8	133.5

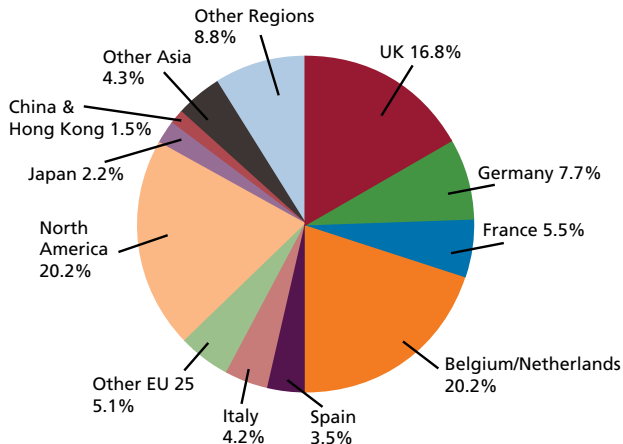
## 2.2: Composition of Ireland's Goods Exports, 2000-2005



Source: *External Trade Bulletin. August 2006, Central Statistics Office. Pre-2006 data downloaded from Database direct, www.cso.ie, 27th November 2006.*

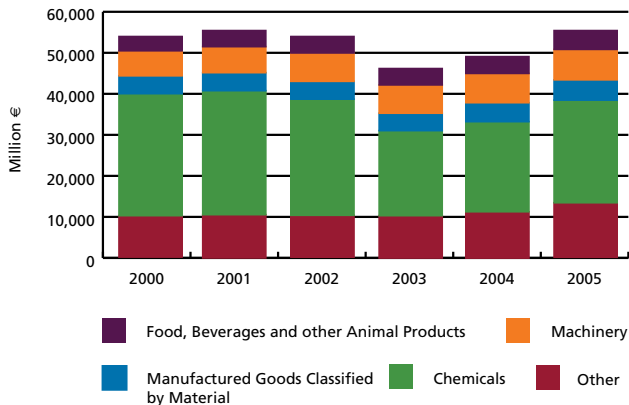
Million €	2000	2001	2002	2003	2004	2005
Food, Beverages and other Animal Products	6,934	6,809	6,808	6,918	7,125	7,503
Chemicals	27,361	32,281	39,061	35,786	37,492	40,420
Manufactured Goods Classified by Material	1,973	1,955	1,926	1,792	1,817	1,757
Machinery	34,012	37,607	33,171	23,521	22,935	22,718
Other	12,668	13,018	12,089	13,221	14,176	14,827
Total	82,947	91,671	93,054	81,238	83,545	87,224

## 2.3: Geographic Distribution of Ireland's Goods Exports, 2006<sup>f</sup>



Source: *Merchandise Trade Bulletin, September 2006*, Central Statistics Office.

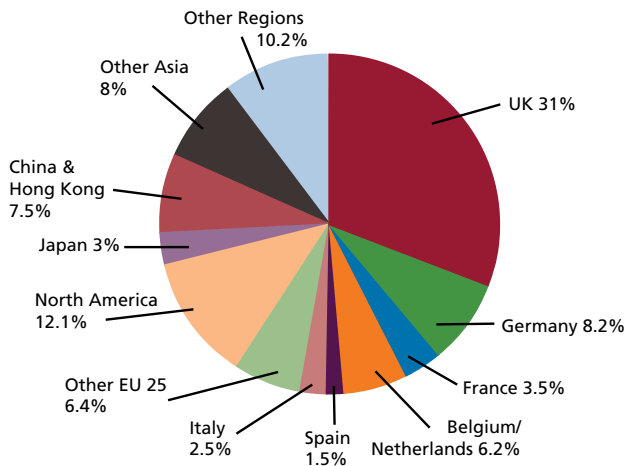
## 2.4: Composition of Ireland's Goods Imports, 2000-2005



Source: *External Trade Bulletin. August 2006, Central Statistics Office. Pre-2006 data downloaded from Database direct, www.cso.ie, 27th November 2006.*

Million €	2000	2001	2002	2003	2004	2005
Food, Beverages and other Animal Products	3,470	3,918	4,001	3,986	4,086	4,586
Chemicals	6,105	6,341	6,922	6,897	7,140	7,420
Manufactured Goods Classified by Material	4,351	4,391	4,338	4,245	4,620	4,944
Machinery	29,740	30,224	28,317	20,732	21,964	25,019
Other	10,101	10,549	10,218	10,328	11,297	13,293
Total	53,766	55,423	53,796	46,188	49,106	55,261

## 2.5: Geographic Distribution of Ireland's Goods Imports, 2006



Source: *Merchandise Trade Bulletin, September 2006*,  
Central Statistics Office.

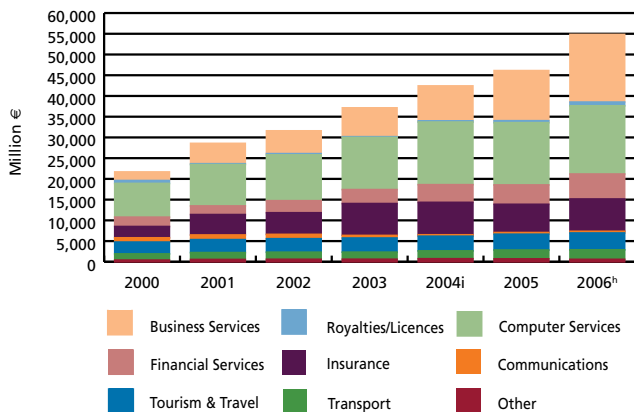
## Section 3

---

### International Trade in Services



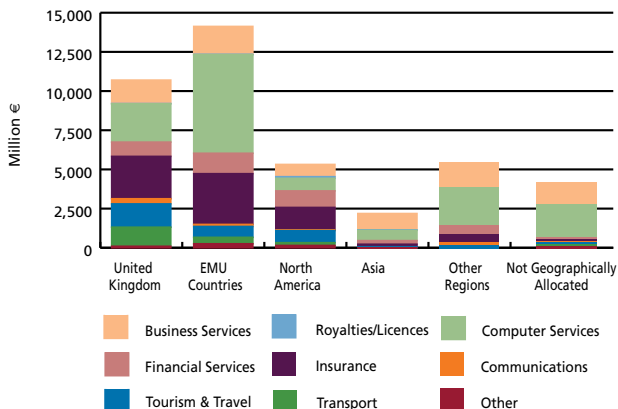
### 3.1: Ireland's Services Exports, 2000-2006



Source: Downloaded from [www.cso.ie](http://www.cso.ie), 27th November 2006.

Million €	2000	2001	2002	2003	2004 <sup>i</sup>	2005	2006 <sup>h</sup>
Business Services	2,070	4,904	5,496	6,957	8,439	12,086	16,317
Royalties/Licences	701	207	298	186	282	475	896
Computer Services	8,138	9,979	11,056	12,575	15,100	15,015	16,454
Financial Services	2,255	2,080	2,909	3,365	4,267	4,676	6,021
Insurance	2,725	4,918	5,217	7,691	7,821	6,806	7,795
Communications	1,025	1,123	1,040	622	343	408	404
Tourism & Travel	2,851	3,131	3,256	3,409	3,536	3,813	4,063
Transport	1,501	1,658	1,710	1,708	1,895	2,131	2,297
Other	410	564	607	620	741	707	593
<b>Total</b>	<b>21,676</b>	<b>28,564</b>	<b>31,589</b>	<b>37,133</b>	<b>42,424</b>	<b>46,117</b>	<b>54,841</b>

### 3.2: Composition and Geographical Distribution of Ireland's Services Exports, 2004

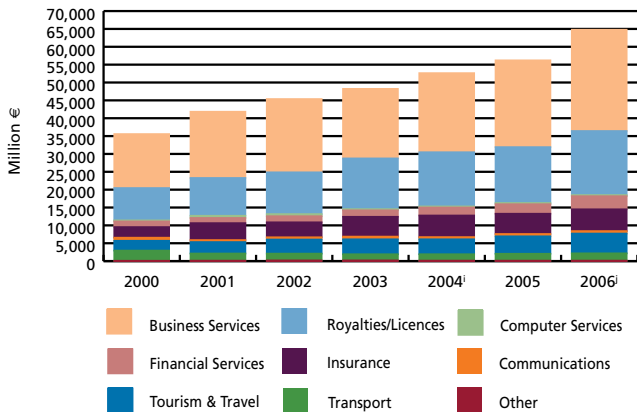


Source: *Services Trade Bulletin 2003-2004*, Central Statistics Office.

Million €	United Kingdom	EMU Countries	North America	Asia	Other Regions	Not Geographically Allocated	Total <sup>i</sup>
Business Services	1,496	1,793	781	1,041	1,650	1,380	8,141
Royalties/Licences	17	6	106	33	3	12	177
Computer Services	2,445	6,295	802	654	2,545	2,223	14,972
Financial Services	910	1,303	1,055	233	476	71	4,048
Insurance	2,704	3,238	1,439	138	548	99	8,166
Communications	328	131	41	19	152	89	761
Tourism & Travel	1,487	693	769	64	244	188	3,445
Transport	1,218	411	177	4	14	71	1,895
Other	96	256	149	1	9	88	599
<b>Total</b>	<b>10,700</b>	<b>14,127</b>	<b>5,318</b>	<b>2,186</b>	<b>5,651</b>	<b>4,221</b>	<b>42,203</b>



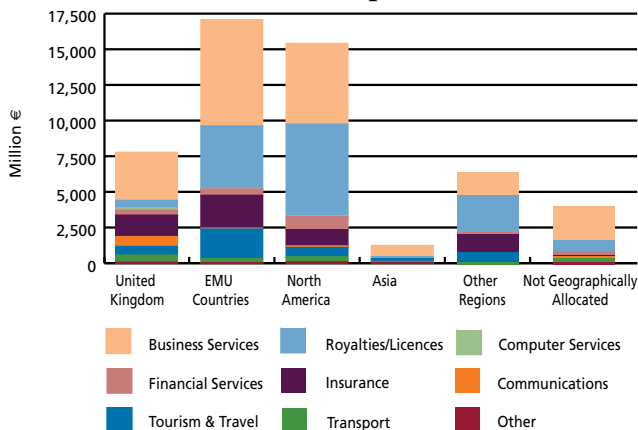
### 3.3: Ireland's Services Imports, 2000-2006



Source: Downloaded from Database direct, [www.cso.ie](http://www.cso.ie), 27th November 2006.

Million €	2000	2001	2002	2003	2004 <sup>i</sup>	2005	2006 <sup>j</sup>
Business Services	15,113	18,551	20,517	19,472	22,146	24,296	28,363
Royalties/Licences	9,051	10,578	11,697	14,208	15,169	15,648	17,931
Computer Services	301	620	589	329	307	336	317
Financial Services	1,574	1,443	1,707	1,806	2,235	2,660	3,667
Insurance	2,967	4,741	4,187	5,547	6,039	5,675	6,099
Communications	861	559	634	757	622	651	691
Tourism & Travel	2,750	3,206	3,942	4,188	4,184	4,882	5,541
Transport	2,852	2,001	1,908	1,725	1,790	1,934	2,039
Other	96	125	189	191	133	125	134
Total	35,565	41,824	45,370	48,223	52,625	56,207	64,782

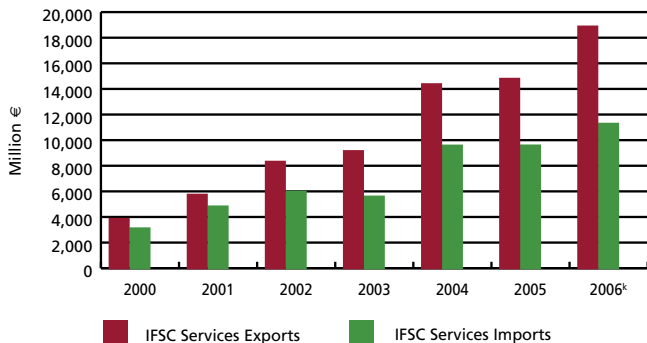
### 3.4: Composition and Geographic Distribution of Ireland's Services Imports, 2004



Source: *Services Trade Bulletin 2003-2004*, Central Statistics Office.

Million €	United Kingdom	EMU Countries	North America	Asia	Other Regions	Not Geographically Allocated	Total
Business Services	3,371	7,451	5,657	780	1,696	2,348	21,303
Royalties/Licences	518	4,383	6,429	142	2,558	818	14,848
Computer Services	170	43	50	N.A.	26	4	293
Financial Services	346	442	928	N.A.	122	190	2,028
Insurance	1,501	2,294	1,132	N.A.	1,277	121	6,325
Communications	697	70	118	N.A.	39	61	985
Tourism & Travel	601	2,076	649	198	657	-	4,181
Transport	505	287	357	93	72	474	1,788
Other	49	16	77	10	15	1	168
<b>Total</b>	<b>7,758</b>	<b>17,060</b>	<b>15,397</b>	<b>1,486</b>	<b>6,205</b>	<b>4,017</b>	<b>51,923</b>

### 3.5: IFSC Services Exports and Imports, 2000-2006



Source: CSO Balance of Payments Bulletin, Various editions.

Million €	2000	2001	2002	2003	2004	2005	2006 <sup>k</sup>
IFSC Services Exports	3,842	5,727	8,303	9,131	14,356	14,780	18,861
IFSC Services Imports	3,098	4,809	5,966	5,581	9,563	9,570	11,269

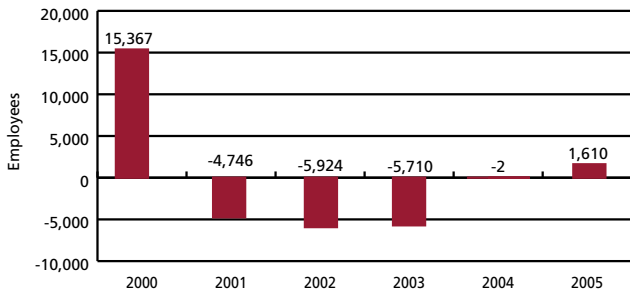
## Section 4

---

### Foreign Direct Investment

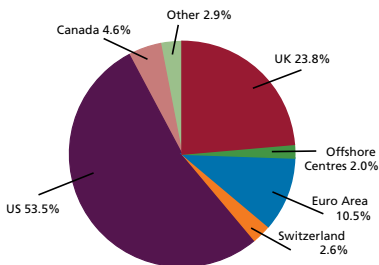
# 4

#### 4.1: Net Job Creation in Agency Assisted Foreign Owned Companies, 2000-2005



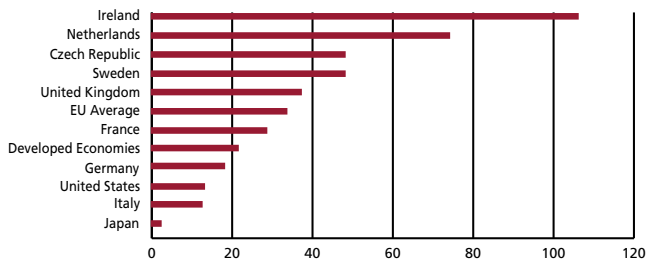
Source: Annual Employment Survey 2005, Forfás.

#### 4.2: Source of Ireland's Inward Foreign Direct Investment Flows, Average 2001/2003



Source: Globalisation and the Irish Economy, Philip R. Lane. Frances Ruane IIS Occasional Paper No. 01.

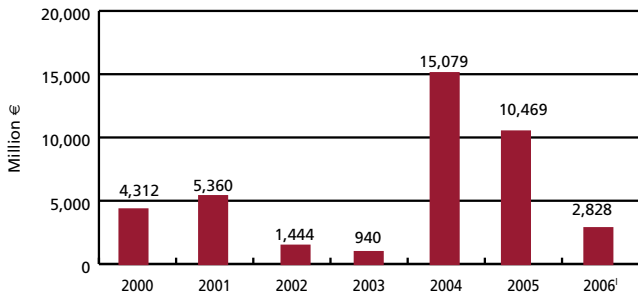
### 4.3: Cumulative Stock of Inward FDI as a Percentage of GDP, 2005



Source: UNCTAD World investment Report, 2006.

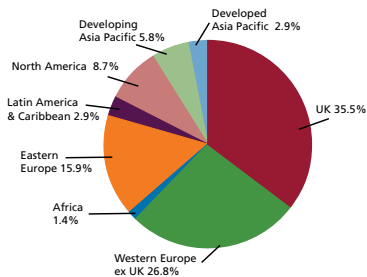
% GDP	2005
Ireland	106
Netherlands	74
Sweden	48
Czech Republic	48
United Kingdom	37
EU Average	33
France	28
Developed Economies	21
Germany	18
United States	13
Italy	12
Japan	2

#### 4.4: Ireland's Outward Foreign Direct Investment Flows, 2000-2006



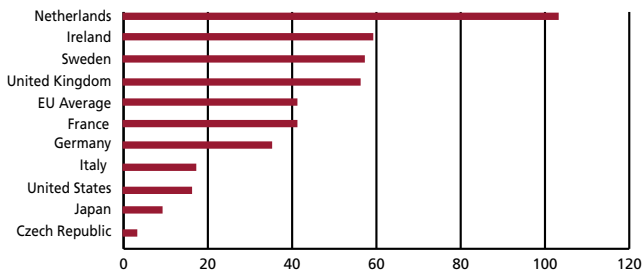
Source: *Balance of Payments Bulletin*, Central Statistics Office, *Non-IFSC Direct Investment Abroad*.

#### 4.5: Destination of Irish Outward Direct Investment Greenfield Projects, 2005/2006<sup>m</sup>



Source: *LOCOMonitor*, unpublished report prepared for Forfás.

## 4.6: Cumulative Stock of Outward FDI as a Percentage of GDP, 2005



Source: UNCTAD World investment Report, 2006.

% of GDP	2005
Netherlands	103
Ireland	59
Sweden	57
United Kingdom	56
EU Average	41
France	41
Germany	35
Italy	17
United States	16
Japan	9
Czech Republic	3





# Notes

## Chart Note

---

- All All figures quoted in values are in current prices.
- 1.1 a 2006 industrial output figures are based on the seasonally adjusted figures for the 9 months to September 2006.
- 1.1 b Services figures based on aggregate services, exports, Balance of Payments 2006. 2006 internationally traded services figure based on change in Q1 and Q2 figures in 2006 compared to the corresponding period in 2005.
- 1.4 c Persons aged 15 years and over in employment (ILO) classified by sex and NACE Economic Sector.
- 2.1 d 2006 annualised estimates for Ireland based on seasonally adjusted average for first 9 months of 2006.
- 2.1 e Annual figure for global trade in 2006 based on UN forecast.
- 2.3 f Based on date for January 2006 to August 2006.
- 2.5 g Based on date for January 2006 to August 2006.
- 3.1 h 2006 annualised estimate based on percentage change from the first half of 2005 to first half 2006.

3.1-3.4 i Discrepancies may exist between the figures published in various years, due to updates by the CSO. The data is taken where possible directly from the cso website, and old publications are only used when this is not possible.

The country and sector totals in figures 3.2 and 3.4 do not necessarily equal the sum of the corresponding table entries because of suppressed data. See original source for more details.

3.3 j 2006 annualised estimate based on percentage change from the first half of 2005 to first half 2006.

3.5 k 2006 annualised estimate based on percentage change from the first half of 2005 to first half 2006.

4.4 l 2006 annualised estimate based on percentage change from the first half of 2005 to first half 2006.

4.5 m Based on data from Jan 2005 to Feb 2006.

5.2 n 2006 estimate based on survey of firms expectations.









Forfás

Wilton Park House

Wilton Place

Dublin 2

Tel: 01-607 3000

Fax: 01-607 3030

Website: [www.forfas.ie](http://www.forfas.ie)

Email: [info@forfas.ie](mailto:info@forfas.ie)