

PRESS RELEASE

Maintaining and improving competitiveness is key in unpredictable and difficult global marketplace - Forfás

Forfás publishes 2012 Annual Report

(Wednesday 24 July 2013) Measures undertaken as part of the Action Plan for Jobs and related strategies are having a positive impact on enterprise development and job creation; however a continued focus on improving competitiveness is necessary to ensure we can grow employment and exports, according to Martin D. Shanahan, Chief Executive of Forfás on the publication of the Forfás 2012 Annual Report.

“In 2012, the enterprise development agencies continued to secure new investment and export growth, and employment in client companies. Total full-time employment among development agency supported Irish-owned companies amounted to 144,964 in 2012, an increase of 3,228 jobs (+2.3 per cent) on the previous year. Among foreign-owned companies, total full-time employment amounted to 149,821 in 2012, an increase of 5,747 (+4 per cent) on the previous year¹. However, Ireland is highly reliant on global economic market performance and greater competitiveness at home. Some costs remain above those of our key competitors and until these are addressed, continuing to grow exports and increasing employment will be more difficult. Overall price levels in the economy have fallen back to levels last seen in 2002, but a range of business inputs including labour costs, energy costs, waste costs and legal services (solicitors) prices still remain relatively high compared to our key competitors,” he commented.

“Export growth in 2012, particularly the growth in indigenous exports is very welcome; however, Ireland remains highly reliant on a small number of exporting sectors, which is of concern in terms of exposure to greater sector-specific risks such as the impact of some products coming off patent in the chemical and pharma industries. Service exports, while more diverse, also show a high degree of concentration with computer services accounting for 40.5 per cent of services exports in 2012, followed by business services which account for 28 per cent. Ireland is also reliant on a small number of key markets, and in 2012 the USA, Great Britain and other-EU were the three most significant markets for goods exports” continued Shanahan.

“Despite international and domestic difficulties, there has been a return to stability in the labour market since the middle of 2012. There was an annual increase in employment of 1,200 in the year to the fourth quarter of 2012, the first annual increase recorded since 2008. This was followed by an annual increase in employment of 1.1 per cent in the first quarter of 2013. The unemployment rate decreased from 15 per cent in the first quarter of 2012 to 13.7 per in the first quarter of 2013. Employment is growing in the ICT, business services, pharma, medical technologies, finance and agri-food sectors whereas other sectors continue to lose jobs. We need to both sustain existing jobs and to create new jobs.” he concluded.

Welcoming the Forfás Annual Report, Richard Bruton, TD, Minister for Jobs, Enterprise and Innovation said “Employment is the top priority of this Government, and through the Action Plan for Jobs we are developing and implementing a range of measures to support the job-creation we need. The plan is starting to work, and in the 12 months since the plan was launched we have seen

¹ Annual Employment Survey 2012, Forfás, June 2013

an additional 2,000 people at work every month in the private sector – this compares with 2008-2010 when more than 7,000 people were losing their jobs every month.

“Forfás have made a significant contribution to both the policies behind the Action Plan for Jobs and their implementation, and I would like to commend them on that. Their work throughout the year has been invaluable to highlighting and addressing issues of economic importance and providing expert research and advice on key sectors that will grow our economy”. The Forfás Annual Report is available at www.forfas.ie

ENDS

NOTES TO EDITORS:

Enterprise Policy:

During 2012, Forfás worked closely with Minister Bruton, DJEI and other departments and agencies in the development and delivery of both the *2012 Action Plan for Jobs* and the *2013 Action Plan for Jobs*.

Forfás undertook significant enterprise policy reviews including:

- a review and audit of licences for key sectors of the economy;
- the development of a new strategy for the manufacturing sector called *Making It in Ireland: Manufacturing 2020*;
- an analysis and strategic plan for the construction sector - *Ireland's Construction Sector: Outlook and Strategic Plan to 2015*; and
- an analysis of the potential of social enterprise in Ireland.

Forfás also:

- conducted an evaluation of agency programmes in research, development and innovation

and undertook surveys including

- *Annual Business Survey of Economic Impact* and
- *Annual Employment Survey*.

Competitiveness Policy:

- Forfás undertook an assessment of the costs of doing business in Ireland and Ireland's competitiveness ranking.
- In the area of infrastructure Forfás reviewed sectoral regulation and broadband from a cost competitiveness perspective.
- Forfás conducted a number of reviews including one on the funding environment and one on the equity landscape in Ireland.
- Forfás provides the National Competitiveness Council with research and analytical support and during 2012 this included two reports, *Ireland's Productivity Performance 1980-2011* and *Ireland's Competitiveness Scorecard 2012* and significant advocacy work.

Education, Skills and Labour Market Policy:

During 2012 Forfás provided advice on education, skills and labour market policy that included:

- analysis and recommendations on the future skills requirements of the manufacturing sector; and
- analysis and recommendations for the key skills for enterprise to trade internationally.

It supported the work of the Expert Group on Future Skills Needs with research and analysis on skills requirements at national and sectoral level, and priority training and skills requirements.

Science, Technology & Innovation Policy:

- Forfás in conjunction with the Prioritisation Action Group undertook analysis to develop key national level metrics for State research and development investment and developed action plans for each of the 14 priority areas prioritised by Government as a result of the research prioritisation exercise. Forfás also made a significant contribution to the organisation and planning of Dublin City of Science 2012 and the Euroscience Open Forum 2012 (ESOF2012) which saw over 600,000 people take part in more than 160 events and activities over the course of the year.

About Forfás

Forfás is Ireland's policy advisory board for enterprise, trade, science, technology and innovation. It provides independent and rigorous research, advice and support in the areas of enterprise and science policy. This work informs the Department of Jobs, Enterprise and Innovation and wider Government. Forfás works with IDA Ireland, Enterprise Ireland and Science Foundation Ireland to ensure the coherence of policies across the enterprise development agencies.

The published advice of Forfás is available at www.forfas.ie

Forfás manages the work of and provides research and analytical support to:

- National Competitiveness Council www.competitiveness.ie
- Expert Group on Future Skills Needs www.skillsireland.ie
- Advisory Council for Science, Technology and Innovation www.sciencecouncil.ie

The Irish National Accreditation Board (INAB) is a division of Forfás. An overview of INAB is available at www.inab.ie