

The Entrepreneurial Spirit Remains Strong in Ireland

The Rate of Early Stage and Established Entrepreneurs in the Country Continues to the Fore in Europe

Global Entrepreneurship Monitor (GEM) Report 2008

Tánaiste and Minister for Enterprise, Trade and Employment Mary Coughlan T.D. today (18 May 2009) launched the Global Entrepreneurship Monitor (GEM) Report for Ireland for 2008. The report, sponsored by Enterprise Ireland, Forfás and AIB, confirms that Ireland is at heart an entrepreneurial nation and to the fore in Europe in both the rate of early stage entrepreneurial activity (7.6%) and in the rate of established entrepreneurs (9%) among the adult population. With an average of 2,800 individuals setting up new businesses every month, entrepreneurial activity in Ireland remains high, according to the latest GEM report.

The rate at which individuals started businesses in Ireland (4.3%) continues well above the EU (2.7%) and OECD (3.3%) averages and compares well to the rate prevalent in the United States (5.0%).

The findings of the 2008 report confirm that culture and social norms remain broadly positive towards entrepreneurship and that the aspiration among people to become an entrepreneur in the medium term remains strong. The report also notes that in more challenging times, there is an increase in the numbers turning to entrepreneurship as a means of creating employment for themselves.

Welcoming the report the Tánaiste said:

"We need all of what is best from entrepreneurship now more than ever. The establishment of new businesses can bring many benefits to the Irish economy and can enrich the base of SMEs while adding to competitiveness, innovation and employment creation. I am determined to ensure that as much support as possible is given to these entrepreneurs to allow them to create sustainable, innovative businesses, so that the employment and other economic benefits that flow from the creation of new businesses can benefit the wider community."

Commenting on the report Brendan Flood, Head of Entrepreneurship and Regions at Enterprise Ireland said: "Starting and growing enterprises is fundamental to achieving regional economic growth. Entrepreneurship in Ireland is very much a grass roots movement, and the impact of these new enterprises is felt in every county. These entrepreneurs are critical to Ireland's economic future and Enterprise Ireland is committed to supporting the entrepreneurship drive and helping export-focused Irish companies to grow internationally."

Helena Acheson, Manager of the Enterprise & Regional Policy Division in Forfás, welcomes the evidence in the report that, compared to other developed countries, a higher proportion of Irish early stage entrepreneurs are innovative, are in technology sectors and are not exclusively focused on the home market. "There are marked differences between early stage entrepreneurs and those with longer established businesses. Early stage entrepreneurs increasingly tend to be more innovative and with a greater export focus", she said.

Welcoming the 2008 report David Roberts, Head of Customer Propositions, AIB said: "The GEM report for the first time gives an insight into the level of entrepreneurship in the different regions of Ireland and demonstrates that even in challenging times the entrepreneurial spirit remains strong. AIB remains firmly committed to supporting those involved in running their own business and are open to new business ideas. Our team of business relationship managers are available throughout our nation-wide branch network to provide support to enterprising individuals and their businesses."

The GEM Report is sponsored by Enterprise Ireland, Forfás and AIB. The authors of the report are Paula Fitzsimons, National GEM Co-ordinator, and Dr. Colm O'Gorman, Professor of Entrepreneurship, DCU Business School.