



Annual Report

2012

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Forward by the Minister for Jobs, Enterprise and Innovation

Richard Bruton



The Action Plan for Jobs was launched in 2012. It is a new approach through which the Government seeks to get the whole of Government behind the challenge of creating jobs, and growing enterprises and innovation. It set out ambitions for the future but also focussed relentlessly on implementation. It was a year of consolidation and change. Total employment stabilised but good growth in employment from our exporting sectors was achieved. The IDA backed enterprises recorded their best job growth in a decade. Enterprise Ireland backed enterprises proved their ability to win back market share. I would like to pay tribute to the tireless work of my Ministerial colleagues, John Perry, T.D., Minister for Small Business, and Seán Sherlock, T.D., Minister for Research and Innovation, the Secretary General, John Murphy, and all the staff of the Department to deliver on the Department's goals in the Statement of Strategy 2011-2014, as well as the Programme for Government commitments that fall within the remit of this Department.

In 2012 we continued to search for new ways to make doing business in Ireland more seamless and efficient to better meet both industry expectations and community needs. We strove to create an environment that fosters innovation, enhances competition, encourages investment and promotes a climate of industrial cooperation that will ultimately lead to more jobs and good jobs. The reform programme to create a truly integrated entity in the sphere of employment and industrial relations that will deliver a world class service with a client-centred focus also continues apace.

I am aware that many of our objectives cannot be achieved in isolation, and without the co-operation of my colleagues in other parts of the public service and the support of the wider public less progress would have been made. I look forward to this cross-sectoral support continuing as this is critical to deliver a world class modern public service. I would like to thank all the staff in the Department, Offices and Agencies for continuing to deliver policies and programmes to the highest standard within an environment of constrained resources.

Richard Bruton

Minister for Jobs, Enterprise and Innovation

Introduction by the Secretary General, John Murphy

Welcome to the 2012 Annual Report of the Department of Jobs, Enterprise and Innovation. The Department has navigated its way through another challenging year of increasing demands and shrinking resources. Savings were delivered through streamlining of business processes, achieving greater efficiencies and increased use of technology.



Despite the decrease in resources there are many successes and positive developments to report. The Action Plan for Jobs was launched in 2012 as part of an ambitious multi-year process, aimed at increasing the number of people at work in Ireland by 100,000. Implementation of the plan has been highly successful to date, with 92 per cent of measures delivered in 2012, including the launch of the €90 million Microfinance Scheme, expected to benefit 5,500 businesses and create 7,700 jobs, the launch of the €450 million Credit Guarantee Scheme, expected to benefit 5,600 businesses and create 4,000 jobs and measures to turn good ideas emerging from state-backed scientific research into jobs, including a new Intellectual Property Protocol which will make it easier for companies to access and use ideas deriving from publicly funded research and new technology research centres.

I am deeply indebted to the staff of the Department, its Offices and Agencies for their active engagement, deep commitment and hard work in achieving our objectives. With the reduction in numbers, I am keenly aware that staff have had to shoulder extra burdens and I wish to thank everyone for their contribution.

John Murphy

Secretary General

Mission

‘To support the creation of good jobs by promoting the development of a competitive business environment in which enterprises will operate to high standards and grow in sustainable markets’

2012 *Main Achievements*

- Action Plan for Jobs launched on 13 February 2012.
- IDA client companies created 12,722 gross new jobs (net new jobs 6,570) IDA also invested €517m on new R&D and innovation projects.
- Enterprise Ireland approved 7,645 grant-aided new jobs against its target of 6,000-7,000 jobs.
- Shannon Development supported 18 investment projects leveraging €4.7m and created 499 new jobs in Shannon Free Zone.
- Microfinance Ireland established
- SME Credit Guarantee Scheme launched.
- Progress continues on the Workplace Relations Reform Programme
- Target of 25% administrative burden reduction achieved covering company, employment and health & safety law
- Publication of the Companies Bill
- Research Prioritisation report launched
- Enterprise Ireland client companies achieved a record €16.2 billion exports
- IDA approved 144 investment projects - 23% outside Dublin and Cork
- Pilot for Health Innovation Hub established in University College Cork
- Substantial progress in implementing Government Decision to restructure the model of state support for micro enterprises and small businesses in Ireland
- Service Level Agreements and Memorandum of Understanding signed between the Department and Agencies and Offices
- Industrial Relations (Amendment) Act 2012 enacted
- 13% decrease in the number of workplace deaths
- Competition (Amendment) Act signed by the President on 20 June 2012

Management Board

John Murphy Secretary General

	Division
Dermot Curran, Assistant Secretary	Innovation and Investment
Clare Dunne, Assistant Secretary	Competitiveness and Jobs
Philip Kelly, Assistant Secretary	Corporate Services EU Affairs & Trade Policy
Breda Power, Assistant Secretary	Commerce Consumers & Competition
Martin Shanagher, Assistant Secretary	Labour Affairs
Martin D Shanahan, CEO Forfás	

Offices and Agencies of the Department

The Department is assisted in the delivery of its programmes by a number of Offices and Agencies.

Offices within the Department

1. Patents Office
2. Employment Appeals Tribunal (EAT)
3. Labour Court
4. National Employment Rights Authority (NERA)
5. Companies Registration Office (CRO)
6. Registry of Friendly Societies (RFS)
7. Office of the Director of Corporate Enforcement (ODCE)

Agencies under the aegis of the Department

1. Forfás
2. Enterprise Ireland
3. Industrial Development Authority (IDA)
4. InterTrade Ireland
5. Shannon Development
6. 35 County & City Enterprise Boards (CEBs)
7. National Standards Authority of Ireland (NSAI)
8. Science Foundation Ireland (SFI)
9. Labour Relations Commission (LRC)
10. Health & Safety Authority (HSA)
11. Competition Authority
12. National Consumer Agency (NCA)
13. Irish Auditing & Accounting Supervisory Authority (IAASA)
14. Personal Injuries Assessment Board (PIAB)



Goal 1

Championing Enterprise: *Make Ireland the best small country in which to do business and enlist the widest possible support within and outside government for this goal.*

Achieving this goal involves intensive engagement with other Departments on a range of issues across Government and at EU level, which are central to the success of this strategy. The Department has a leading role on key Government objectives, including creating job opportunities, reducing the burden of red tape on business, enterprise supports, the research and innovation agendas, trade policy, competitiveness challenges, and access to finance for business.

At EU level, the Department has the lead and coordination role in respect of the Competitiveness, Employment, Social Affairs and Trade Councils, and leads Ireland's representation at the World Trade Organisation (WTO), the International Labour Organisation (ILO), and the World Intellectual Property Organisation (WIPO). Our engagement at EU level is particularly significant in the context of the preparations for Ireland's Presidency in the first half of 2013.

Both the European Union and the 27 EU Member States are members of the World Trade Organisation (WTO). The interests of the European Union and its member states are represented in the WTO by the European Commission when authorised by the EU Council. Through the Council's Trade Policy Committee and ultimately in the EU's Foreign Affairs Committee (Trade), which is the EU's Council of Trade Ministers, Ireland fully participates in the formulation of the EU's position with

regard to trade and investment issues at the WTO and in other international organisations. The Department continues to be a strong advocate for Irish business and its global economic interests across all aspects of WTO activities.

The work and activities of Enterprise Ireland (EI) contributes significantly to the achievement of this Championing Enterprise goal. Enterprise Ireland client companies achieved record export sales of €16.2bn in 2012, with substantial growth coming from the North American and Asia Pacific markets. Non-food sector exports grew by 11%, while food sector exports were up by 2.3%. The Agency launched a new Potential Exporters Division to serve the needs of Irish companies exporting for the first time.

Agency clients established 383 first-time overseas presences and won 777 significant new international customers, while high-potential start-ups secured 104 new international clients all with significant assistance from Enterprise Ireland. Enterprise Ireland's financial supports for early-stage companies include the innovative High Potential Start Up (HPSU) fund, geared towards high potential start-ups, the International Start-Up Fund and the Competitive Start Fund. In 2012, the Agency supported 97 new high potential start-ups, approving €22m in funding. In addition, 24 high potential start-ups received follow-on investments, valued at €6.46m. Some 12 overseas entrepreneurs received total funding of €5.94m to establish new or early-stage businesses in Ireland, and 60 early stage projects, totalling an investment of €3.1m, were approved funding under the Competitive Start scheme.

As part of Enterprise Ireland's drive to build capability in High Performance Start Ups (HPSU), the Agency launched an enhanced Accelerated Growth Programme. While this was largely based on a pilot developed in 2011, it was extended to a 24-month engagement with 41 CEOs from across our HPSU cohort of companies.

In 2012, capability building programmes focused on leadership and strategy, success in international sales and marketing and improved competitiveness through lean business. Some 295 executives from client companies participated in significant management development programmes, while 716 executives took part in short programmes, both exceeding targets for 2012.

Enterprise Ireland has developed a Lean Business Offer designed specifically to help client companies address competitiveness issues. Since the programme was launched, participants have collectively reduced costs by millions of euro, grown sales and output and increased overall employment. The programme can be accessed at three levels of increasing advancement and commitment, based on a company's ability to absorb the lean tools and techniques, namely LeanStart, LeanPlus and LeanTransform. A total of 147 lean projects were supported by Enterprise Ireland during 2012. Closely allied to Enterprise Ireland's lean business initiatives, the Agency has also developed a GreenTech offer, which provides companies with information, advice and funding to improve their environmental performance, reduce costs and access green markets.

Enterprise Ireland has also developed a Company Health Check Service, based on a small and medium enterprise (SME) benchmarking system and global data. This provides clients with an objective view of just how good their competition is and where their own strengths and weaknesses lie, helping them to prioritise areas for action.

Enterprise Ireland's Job Expansion Fund was launched to assist Enterprise Ireland client companies to achieve increased employment through increased sales and international trade. 3,338 net jobs were created in Enterprise Ireland client companies in 2012. This is the highest net jobs gain for Irish companies since 2006. The Job Expansion Fund is designed to assist SME clients achieve enhanced growth through increased employment. The fund provides grant support up to a maximum of €150k towards the recruitment of new employees. In 2012, Enterprise Ireland funded 56 job expansion projects (with commitments of 627 additional jobs), to a value of €5.9m.

The County and City Enterprise Boards (CEBs) continued to deliver a range of supports to the micro-enterprise sector, utilising a capital funding allocation of €18.78m to provide direct financial

supports for company start-ups, business expansions and feasibility studies, and offering 'soft' supports such as mentoring, training and business advice to build capacity in the sector. Over 28,000 participants availed of CEB training programmes, which included specific courses aimed at fostering increased levels of youth, female and senior entrepreneurship.

Enterprise Ireland also provides financial support for established SMEs and larger companies to sustain jobs, grow employment or expand their operations. In 2012, the Agency approved 324 support packages of €100k+ to established SMEs and large companies. For companies planning an ambitious expansion that will create employment and grow sales in international markets, Enterprise Ireland provides Tailored Company Expansion Packages on a case-by-case basis. These packages typically cover capital assets and job creation, R&D, training, management development and consultancy. In 2012, Enterprise Ireland funded 89 expansion projects to a value of €34.53m. In addition, the Agency supported 11 projects to a value of €3.32m through its Sustaining Jobs Fund.

In the Action Plan for Jobs 2012 Minister Bruton gave a commitment to improve access to information and enhance visibility of the supports that are available to businesses from Government Departments, their agencies and public bodies. This arose from the Minister's concern about the lack of take-up of Revenue's Job Assist and the Employers' PRSI Incentive Scheme in particular.

A range of the supports, both financial and non-financial, available from Government Departments, Offices and Agencies were identified and formed the basis for the compilation of a new webpage listing the supports available. The focus of the featured measures was to highlight supports that are available to assist companies to grow, improve productivity and create employment, with live links directly to detailed information on each of these schemes.

Benefits of a Single Market

In its 20 years of existence, the EU's Single Market has delivered enormous benefits to both businesses and consumers across the EU and has the potential to strongly boost the EU economy well into the future. It is estimated that the elimination of all intra-EU barriers to trade over ten years

would increase the EU's GDP by 14%. The European Commission found that abolishing restrictions in the services sector could boost GDP by 2.6%.

In that context, and with a view to keeping the momentum behind building and deepening the single market, the Minister for Jobs, Enterprise and Innovation established an Inter-Departmental Committee on the Internal Market and Services Directive in early 2012. The purpose of the Committee was to ensure greater coordination across the Irish administration on single market issues in advance of and during the EU Presidency 2013 and improving the application of the Services Directive. The Forum, which has met on eight occasions, proved to be a valuable resource in developing Ireland's coordinated position on the Single Market and it will continue to meet to improve the implementation of the Services Directive across all sectors.

To mark the 20th anniversary of the Single Market, the Department of Jobs, Enterprise and Innovation jointly hosted a successful Conference: "Europe working for Irish SMEs" in Croke Park on 1 November 2012. The main topics covered were Accessing the Single Market, Access to Finance, Entrepreneurship in Europe and the Digital Single Market.

Transposition of EU Directives

The EU Internal Market Scoreboard, which reports on Member States performance on the transposition of EU Directives, was published in September 2012. It showed Ireland's transposition deficit for transposing Directives was at 0.3%. This deficit is well below the 1% target set for all Member States.

EPSCO (Employment, Social Policy, Health & Consumer Affairs) Council

A Government Decision of June 2012 clarified the locus of responsibility for employment matters at national and EU levels. The Government decided that the lead role and responsibility for employment policy lies with the Department Jobs, Enterprise and Innovation, in co-operation with other relevant Departments. Following this Decision, an Inter-Departmental Committee was established in the Department of Jobs, Enterprise and Innovation to coordinate preparations for the work of the EPSCO Council in respect of employment and social policy matters. Cross-Departmental membership of the

EU Employment Committee (EMCO) and its sub-committees (the Ad Hoc and Indicators Groups) was also arranged and formally completed in accordance with the Government Decision.

There were four formal EPSCO (Employment and Social Policy) Councils held in 2012 under the Danish and Cypriot Presidencies. The key outcomes from the Councils included Ministers' approval of the Commission's employment-related Country Specific Recommendations, agreement on a partial general approach on the Programme for Social Change and Innovation and the adoption of Council conclusions on the handling of demographic challenges through enhanced participation in the labour market and society. Ministers also reached agreement on a general approach on a Directive protecting workers from potential risks associated with electromagnetic fields.

OECD Ministerial Council & Forum

Minister Bruton participated in the OECD 2012 Ministerial Council Meeting (MCM) and Forum, the theme of which was "All on Board: Policies for Inclusive Growth and Jobs". There were two major initiatives launched at the MCM (an OECD Skills Strategy and an OECD Strategy on Development), while the first interim report on the OECD Gender Initiative was also presented.

'Jobs for Europe' Conference

This major conference organised by the European Commission on employment policy, under the title "Jobs for Europe" brought together members of the EU Employment Committee, the Social Protection Committee, heads of Public Employment Services, representatives of national parliaments, as well as national and EU-level social partners.

The conference built on the Employment Package put forward by the Commission on 18 April 2012 and on the outcomes of the 2012 European Semester, and also on a series of conferences which the Commission organised during 2011 in order to explore new dimensions of employment policy, notably regarding the functioning of European labour markets, wage developments, flexicurity in a crisis context, and inequalities. Minister Bruton participated in a panel discussion "Fighting unemployment in the programme countries".

International Labour Organisation (ILO)

Ireland fulfilled its reporting obligations in relation to reporting on ratified conventions in 2012. Officials in the Department attended the Governing Body meetings of the ILO held in Geneva in March and November and also represented Ireland at the ILO's Conference in June. Minister Sean Sherlock addressed the Conference during the high level third week of the Conference.

Irish Presidency of the EU 2013

The January to June 2013 Irish EU Presidency (Ireland's 7th) will be one of the largest and most challenging projects faced by the Department. Intensive work was undertaken on the preparation and co-ordination for the Irish Presidency. Institutional and administrative change under the Lisbon Treaty introduced the rolling Trio of Presidencies format where common Presidency programmes are agreed between incoming Presidency Member States for an 18 month period. The Rolling format meant Ireland first engaged directly in the process in early 2012 (with Danish and Cypriot colleagues). Ireland will be expected to lead its rolling Trio which includes Lithuania (July 2013-Dec 2013) followed by Greece (Jan 2014-June 2014). Extensive bi-lateral work by Ministers and Departmental Officials with counterparts in other Members States and all relevant EU institutions, especially the Commission and European Parliament, was undertaken during 2012. As part of the preparation for the Presidency, the Minister attended meetings of the Cabinet Committee on European Affairs, chaired by the Taoiseach.

This Department has lead responsibility for three Council of Ministers formations as follows:

Competitiveness Council (Research, Industry and Internal Market issues), Employment, Social Policy, Health and Consumer Affairs Council (EPSCO) and the Trade Council. These Councils are supported by or linked to a range of Council and Commission chaired Working Groups, advisory Groups and implementing Committees. In preparation for the Irish Presidency, where extensive chairing of relevant working groups will be required, Officials of the Department attended these meetings on a regular basis throughout the year.

European Semester

The operation of the Europe 2020 Semester process in the first half of 2012 demonstrated that there were many learning and development insights to be gleaned from the process. The incoming Irish Presidency took stock of the lessons that needed to be learnt in an effort to streamline the process. In pursuit of that aim, the incoming Presidency met with a range of stakeholders including the Commission, the Council Secretariat and the Chairs of the various statutory Committees in making preparations for the management of the third Semester process in 2013.

Insolvency

In December 2012, the European Commission published its proposals to update the European Insolvency Regulation, which provides for the cross border recognition of insolvency judgments. This Regulation, which is dealt with under the Council Justice Formation addresses both personal and corporate insolvencies. This Department's role was to work with the Department of Justice and Equality in so far as corporate insolvencies were concerned.

Gender balance on boards

In November 2012, the European Commission published its proposals for a Directive to improve gender balance on the boards of listed companies. This Department worked with the Department of Justice and Equality, providing support for the negotiations on the company law aspects of the proposed Directive.



Goal 2

Improving Competitiveness and Access to Finance:

Regain the competitive edge necessary to underpin a successful small open economy.

Sustainable economic growth depends on maintaining national competitiveness. Ireland's competitiveness is a key determinant of our ability to sell goods and services in the global market and to attract inward investment. Access to finance is essential for the development of a strong indigenous enterprise sector and for a return to growth in the domestic economy. It is also vital to promote competitive markets across the services that are critical to business and champion smarter regulation.

In Ireland we have built a strong competitive basis on which to go out and compete on global markets, for investment from multinationals to create jobs in Ireland, and for trade markets for the goods and services we produce in Ireland that will also create and sustain jobs. We have slipped in the various global competitiveness rankings in recent years, partially due to other countries surpassing us on

certain issues, but mainly related to structural imbalances that had built up over the previous decade and the depth of the macroeconomic crisis which hit our small open economy particularly strongly. The National Competitiveness Council, however, has pointed out that Ireland has become significantly more cost competitive since 2008. The World Economic Forum's 2012 Global Competitiveness Index 2012-2013¹ rankings showed Ireland's position recovering to 27th position (from 29th for the previous 2 years), with the IMD World Competitiveness Yearbook 2012² showing Ireland's headline position recovering back into the top 20 (up from 24th). There are a number of key areas where Ireland tops the global list, such as:

- business impact of rules on foreign direct investment;
- inflation;
- FDI and technology transfer;
- availability of skilled labour;
- flexibility and adaptability of the labour force; and
- investment incentives.

Ireland is also seen as a highly desirable location for foreign direct investment. The Ernst and Young Globalization Index 2011³ confirmed Ireland's position as the 2nd most globalised nation in terms of GDP, and remains the most globalised nation in the western world. It also indicated that Ireland is expected to hold this position until at least 2015. Meanwhile, the IBM 2012 Global Location Trends Report⁴ ranks Ireland:

- First in the world for inward investment by quality and value
- First in Europe for jobs created in Research and Development
- First in Europe for investment in the Pharmaceutical sector
- Second in Europe and fourth globally for the number of investment jobs per capita.

¹ Released September 2012

² Released May 2012

³ Released 28 January 2012

⁴ Released 20 December 2012

Ireland has jumped ahead of a number of other small countries in the latest international competitiveness rankings, such as Belgium and New Zealand. We need to make sure that we tackle those remaining areas where we can best support our enterprises and our people.

What is even more important, though, is that Ireland's underlying competitiveness potential, those important factors for achieving sustainable competitiveness in the medium and longer term, and having a supportive environment enabling enterprises to go out and do business successfully, are those factors where Ireland shows particular strengths.

The EU Commission's Competitiveness Report 2012⁵ shows that Ireland is better than the EU average in the vast majority of the competitiveness indicators examined, including in relation to labour productivity, our share of high-tech exports, the energy intensity of industry and our overall business environment.

All of these results are a very positive base on which to build as the Department, its Agencies and the wider Government continue to strive towards the aim of becoming the *best small country in the world in which to do business*. They are also important indicators in the fight to ensure that Ireland recovers its international competitiveness, so as to be able to compete on global markets for both generating export sales and attracting further inward investment into Ireland, which will ultimately lead to companies being able to sustain existing jobs and create new ones.

Many of the actions which we are pursuing through the "*Action Plan for Jobs*" process over the period 2012-2016 are aimed at improving Ireland's overall competitiveness – reducing costs and ensuring that the enterprise environment (regulation, infrastructure, availability of skills) are all supportive of those companies which can sustain and create jobs. These include the prioritisation of Research & Development investment, based on supporting research which underpins specific opportunities of direct relevance to enterprise and jobs.

⁵ Released 10 October 2012

There is a cross-Government initiative to reduce or freeze Government charges where possible. A number of agencies and departments have a focus on promoting energy efficiency for businesses. Downward pressure is being put on legal, medical and rental costs. An audit of business licence requirements has been undertaken, and recommendations made to reduce the administrative burden for businesses. The EU Commission's Competitiveness Report 2012 acknowledges the actions that are being taken by the Irish Government under the Action Plan for Jobs to improve the areas of deficit and concludes that the breadth of the Plan and the way implementation has started are promising signs that we are making a determined effort to reduce the differences in the competitiveness of the domestic and multinational sectors.

Reform of the Statutory Wage Setting Structure

The Industrial Relations (Amendment) Act 2012 commenced on 1 August 2012. The Act radically overhauled the Joint Labour Committee (JLC) and Registered Employment Agreement system, making it fairer and more responsive to changing economic circumstances and labour market conditions. In addition to these legislative changes, the number of JLCs was reduced from 13 to 10 in 2012.

Access to Finance

SME Credit Guarantee Scheme

The SME Credit Guarantee Scheme became operational in October 2012 and is expected to facilitate an additional €150m in lending for small businesses each year, for the next three years. For every €150m of additional lending, the Scheme is expected to benefit over 1,800 businesses and create over 1,300 jobs. The Scheme is targeted at businesses with growth and job creation potential, which are struggling to access credit due to insufficient collateral, or because they operate in sectors with which banks are unfamiliar. Bank of Ireland, AIB and Ulster Bank are participating in the Scheme.

Seed and Venture Capital

The Action Plan for Jobs 2012 highlighted the point that in order to raise new venture capital funds in the existing international venture capital fundraising environment, further follow-on funding from the State would be required. A working group was established in 2012 to ascertain the need for the State to continue support in this area, on the same terms as the private sector, for the development of the

domestic venture capital system and concluded that continued state support for development of the Venture Capital sector in Ireland was justified.

In 2012, the board of Enterprise Ireland approved three commitments under a third and final call for expressions of interest under the Seed and Venture Capital Scheme 2007-2012.

Venture Capital

The first call for expressions of interest under Innovation Fund Ireland led to a number of significant investments, including €28.7m year in Sofinnova Ventures, an international healthcare venture capital fund. This investment will help ensure that Irish based high-tech companies in key sectors have access to venture capital funds. The firm has established an Irish office in Dublin.

In March 2012, a second call for expressions of interest under the Innovation Fund Ireland was launched. Through this second call, the Government, through Enterprise Ireland will invest a total of more than €60m in venture capital funds which establish a presence in Ireland. Proposals have been assessed and a number approved, with further investments under this Fund to be announced in the near term.

Development Capital Scheme

The Development Capital Scheme is aimed at addressing a funding gap for mid-sized, high-growth, indigenous companies with significant prospects for jobs and export growth. The Scheme was established to create funds that would invest between €2m and €5m in medium sized established companies by way of equity, quasi equity and/or debt.

Initially in 2012, the Government allocated €50m of Exchequer funding with the intention of leveraging a further €100m of private sector investment. The original scheme was extended in December 2012 and an additional €25m was allocated to the scheme. This allocation is targeted to leverage a further €50m from the private sector over the duration of the scheme, making a total of €225m in funding available to mid-sized indigenous firms with significant prospects for jobs and export growth.

Innovation Fund Ireland

Innovation Fund Ireland has been created to increase the availability of risk capital for early-stage and high-growth companies, and is central to the Irish Government's strategy for economic recovery.

Enterprise Ireland alongside the Irish Strategic Investment Fund manages the Innovation Fund Ireland Scheme. The Scheme gives Enterprise Ireland the authority to commit up to €125m to international venture capital funds that establish a presence in the Irish market and legally commit to investing the equivalent amount of Enterprise Ireland's commitment into Irish companies or companies with significant operations in Ireland.

Microenterprise Loan Fund

The Microenterprise Loan Fund was open for business on 1 October 2012 to improve access to credit for microenterprises and facilitate the growth and expansion of viable businesses from all industry sectors across the country, which have been refused access to credit from the banks.

Microfinance Ireland (MFI) was established to manage and control the Microenterprise Loan Fund on behalf of the Minister for Jobs, Enterprise and Innovation. MFI is a private limited company with a Board of Directors and with charitable status. Eligibility to apply for the Scheme is open to start-ups and existing micro-enterprises (trading as sole traders, partnerships or limited companies) that have been declined bank credit, which employ less than 10 persons and with a balance sheet and turnover of less than €2m.

The Scheme provides unsecured loans of between €2,000 to under €25,000 for commercially viable proposals that do not meet the conventional risk criteria applied by the banks for various reasons, including the absence of collateral. An 8.8% APR fixed interest rate is charged, with a repayment term of up to five years and a monthly repayment schedule. Applications to the Loan Fund can be made via the nationwide network of County & City Enterprise Boards or directly to Microfinance Ireland. The Enterprise Boards provide assistance with training and preparing business plans and they carry out an initial evaluation of the quality of the business proposal before sending it on to Microfinance Ireland.



Goal

3

Enterprise Development and Jobs: Maximise jobs growth especially through the development of a strong indigenous enterprise base, the attraction of foreign direct investment, and the development of cross enterprise networks.

A thriving enterprise base benefits society by providing sustainable economic growth, sustainable job creation, and raising standards of living. Enterprise policy in Ireland is targeted to provide a supportive environment for all businesses whether they are trading locally or exporting. It includes the provision of direct and indirect supports, in compliance with EU State Aid rules, to create, attract and grow enterprises that either export or have the potential to export.

The Department plays a central role in supporting enterprise development in Ireland and is assisted in this regard by its agencies including Forfás, Enterprise Ireland (EI), IDA Ireland, the County and City Enterprise Boards, Shannon Development, Science Foundation Ireland (SFI), and the National Standards Authority of Ireland (NSAI).

Action Plan for Jobs 2012

Building on the success of the 2011 Jobs Initiative, the Government launched the Action Plan for Jobs in 2012 as the first instalment in an ambitious multi-year process, aimed at increasing the number of people at work in Ireland by 100,000.

The Action Plan for Jobs was developed by the Department of Jobs, Enterprise and Innovation and Forfás, through engagement with all other Government Departments and a number of State Bodies with a role in supporting enterprise. It was launched on 13 February 2012 and aims to transform the operating environment for business in order to support enterprise growth and job creation. The Government will achieve this objective by systematically removing obstacles to competitiveness, putting downward pressure on business costs, promoting innovation and trade, supporting new and existing businesses to develop and expand, and by deepening the impact of foreign direct investment in Ireland. The Government has also identified, in the Action Plan, a number of key sectors where Ireland can gain competitive advantage in global markets. Building on the success of the 2011 Jobs Initiative, the Government launched the Action Plan for Jobs 2012 as the first instalment in an ambitious multi-year process, aimed at increasing the number of people at work in Ireland by 100,000 by 2016.

The Action Plan for Jobs contained over 270 individual actions to be delivered in 2012, spanning all Government Departments and 36 State Agencies. The 270 actions are broken down further into approximately 480 quarterly milestones or measures which are reported on at the end of each Quarter. These Quarterly Progress Reports are published on the Department's website, www.enterprise.gov.ie.

The objective of the Action Plan for Jobs is to transform the operating environment for business in order to support enterprise growth and enable job creation. The Government will achieve this objective by systematically removing obstacles to competitiveness, promoting innovation and trade, supporting new and existing businesses to develop and expand, and by deepening the impact of foreign direct investment in Ireland. The Government has also identified a number of key sectors where Ireland can gain competitive advantage in global markets and benefit from employment growth.

The Progress Report for the 4th Quarter of 2012 shows that over 90% of the actions to be taken during 2012 were successfully delivered. They include many important reforms designed to enhance competitiveness, improve access to finance, to support enterprise and to develop employment in sectors of opportunity.

Some significant objectives have been realised, including:

- the establishment of a Microfinance Fund for small business;
- the introduction of a Partial Credit Guarantee scheme;
- new supports for first time exporters;
- the launch of a new Women-In-Business programme;
- the simplification and extension of the Employer's PRSI Exemption scheme;
- the launch of a National Broadband Plan;
- the piloting of a Health Innovation Hub; and
- work being undertaken to develop sectors such as Cloud Computing, Digital Games, Manufacturing, the Green Economy

One of the outcomes of the Action Plan for Jobs process is a greater degree of collaboration between Government Departments to achieve the objectives set out in the Action Plan. Many of these require cross-Departmental collaboration. The rigorous monitoring of the Quarterly milestones by the Department of An Taoiseach has ensured a focus on delivering the objectives on time.

In many cases, the full impact of these actions will take time to fully translate into jobs. However, despite a very difficult domestic and external economic environment, 2012 saw significant net job creation by Enterprise Ireland and IDA-supported companies, building on the positive results of 2011 and following successive years of significant net job losses.

In accordance with the Action Plan for Jobs 2012, Enterprise Ireland and IDA Ireland established a senior management team to drive effective collaboration on key priorities such as:

- Attracting inward entrepreneurs;
- Maximising procurement opportunities for Irish business with MNCs; and

- Coordinating a new faculty of leading edge companies to provide peer to peer learning to Irish companies.

In addition, Enterprise Ireland and the Industrial Development Authority agreed to explore opportunities to further strengthen linkages including an 'informal adoption' arrangement between MNCs and SMEs. During the course of 2012 a number of joint initiatives were progressed by IDA Ireland and Enterprise Ireland.

Global sourcing: The Global Sourcing project was a major area of focus for the EI-IDA Senior Management team since its establishment in early 2012. In seeking to address the objectives of the Action Plan for Jobs, the team focused on an in-depth strategic assessment of the opportunities presented by global sourcing, and the development of a joint agency strategy to outline the core actions required by Enterprise Ireland and IDA Ireland to advance this agenda.

Attracting inward entrepreneurs

An initial aspect of the work undertaken by the EI-IDA Senior Management team was to drive effective collaboration between respective teams in Enterprise Ireland and IDA Ireland working on the inward entrepreneurs and emerging businesses agenda. This included:

- Common messaging and leveraging of marketing collateral to deliver the message overseas that Ireland is an excellent location for early stage companies;
- Sharing of pipelines and referral of potential clients between teams in Enterprise Ireland and IDA Ireland.

In order to maximise the impact of both agencies, joint participation in events overseas was progressed during 2012. For example, joint events aimed at attracting entrepreneurs and start-ups to Ireland were held at Disrupt San Francisco (a TechCrunch event) from 8–12 September and the “Le Web” event which took place in Paris in December.

Mentoring, informal adoption and peer-to-peer learning:

The Department of Jobs, Enterprise and Innovation held a press briefing in November 2012 to outline progress in relation to the EI-IDA Senior Management team actions including work to promote greater networking and linkages between multinational and Irish owned companies to support mentoring and peer-to-peer learning. The event was hosted by Accenture, an IDA Ireland client company, which provides an example of how a leading multinational can engage with Irish companies to develop supplier capability and to augment the product offering of the multinational to mutual advantage. The client engagement programme with Accenture is making traction for clients in international markets. At end 2012, over 17 Enterprise Ireland clients had engaged with Accenture and it is expected additional companies in other sectors will be identified to engage with the process. Some initial results include:

- Brite:Bill: Accenture has partnered with Brite:Bill to introduce its innovative bill and document presentation solutions to Accenture clients in postal, mobile operator and government entities globally.
- DataHug: Accenture is working with DataHug to give it access to its global network. Datahug works by using information organisations already have, via communication data coming in and out of the business daily. It leverages analytics engines to show who knows who and even how well they know them.

Against a particularly challenging global economic environment, 2012 was very strong year for foreign direct investment (FDI). During 2012 net new jobs in IDA Ireland client companies increased by 6,570 to 152,785 (between full and part-time employment), which is the third consecutive year of jobs increase, while job losses in IDA client companies were the lowest in a decade. The cost per job sustained has also begun to decline, having risen steadily for the previous three years.

During 2012 IDA secured 144 investments- 65 new name investments, 56 expansion projects and 23 R, D&I projects. The scale and impact of expansion investments remain at the core of long term FDI job retention and growth in the economy. Much effort and resources are devoted by IDA to the development of the existing client base in pursuit of ongoing transformations through its Client Development Process (CDP). Significant expansions were secured from leading corporations across the portfolio during the year.

IDA Strategy – Horizon 2020

2012 was the third year of IDA's Horizon 2020 Strategy. The Strategy set high level goals of 62,000 new jobs (with an economic impact of 105,000 jobs) and 640 investments to be achieved over the five year period from 2010 to 2014. Over the course of the first three years of the five year strategy, IDA is slightly ahead of target, having secured 418 investments against a target of 640 (65.4%) and has delivered an increase in gross job gains of 36,332 against a target of 29,350 (+24%). In the critical measure of net jobs, IDA has delivered 13,594 jobs (23,110 impact) against the three year target of 6,350 and the five year target of 25,000 (54%).

Economic Impact of Foreign Direct Investment

At the end of 2012 there were 152,785 people working in 1,033 IDA client companies. These companies continue to make a significant contribution to the wider Irish economy:

- IDA client exports increased by 7.5% to €122.4b in 2011 (latest available data). Overall total multinational exports (all foreign-owned) were €127.3b, a 7% increase on 2010. Multinational companies now account for 76% of total exports.
- IDA client companies spent €18.8b in the Irish economy, an increase of 10% when compared with 2010 data. The expenditure of €18.8b includes:
 - Payroll expenditure of €7.367b, which increased from €7b in 2010.
 - Expenditure on Irish sourced materials of €1.787b, which increased from €1.5bn in 2010.
 - Expenditure of €9.7b on Irish sourced services by IDA client companies; an increase of €1.2b on 2010.

Helping Small Business

Significant progress was made on this commitment in 2012, with evaluations completed for the suite of seven programmes provided to start-ups and entrepreneurs through Enterprise Ireland and the County and City Enterprise Boards in April 2012. The evaluations of agency supports for Research Development & Innovation programmes (12 in total) have been substantially completed and will be finalised in early 2013. The evaluations consider each programme in terms of:

- Individual programme performance;

- Programme fit in terms of complementarities and/or overlap with other interventions in the enterprise support system; and
- Programme performance in relation to the enterprise policy context that applied during the time period under review

In general, each of the programmes is aligned with national policy and is efficient and effective. Programmes are available to both manufacturing and services firms and take up is evident across most sectors. For manufacturing, it is of note that although the intervention is appropriate and relevant to them, there is a relatively low uptake of Research and Development programmes by foreign-owned engineering firms. This evidence has informed the analysis undertaken for the development of the strategy for manufacturing. The evaluation of the Research, Development and Innovation programmes will also provide underpinning evidence to inform future strategy for science, technology and innovation in Ireland.

Forfás has undertaken an extensive analysis of the social enterprise sector in Ireland and in other countries, and the challenges and ambitions of the sector have been identified through wide public consultation with researchers, Government Departments and agencies, as well as with many of those active in the sector itself. The report suggests that the unrealised potential of the sector for expansion and increased employment generation can be delivered upon through a range of measures including: improved access to public procurement; measures to improve access to finance; and improved governance within the social enterprises.

The broad terms of reference for the Advisory Group for Small Business are to facilitate structured and regular dialogue between the Minister for Small Business and representatives of the small business sector on issues of concern to that sector on how to promote the economic development and job potential of the sector having regard to the current restraints imposed on the national finances and to recommend action points and follow up. Membership of the Small Business Advisory Group includes entrepreneurs, nominees from the main small business representative bodies and officials from the Department of Jobs, Enterprise and Innovation as well as from the state enterprise support agencies, Forfás, Enterprise Ireland and the County and City Enterprise Boards (CEBs).

The Advisory Group for Small Business submitted a broad range of recommendations, focussed on the small business sector, to the Minister for Jobs, Enterprise and Innovation for consideration in the Action Plan for Jobs process. A number of these recommendations were selected for inclusion in the Action Plan for Jobs 2012.

InterTradelreland

The Department continued to support the advancement of the all-island economy through the work of InterTradelreland and the enterprise theme of the Interreg IVA Programme. InterTradelreland is one of the six North/South Implementation Bodies established by the Good Friday Agreement. During 2012, InterTradelreland presented detailed progress reports on its work programme to two meetings of the North South Ministerial Council, in the Trade and Business Development sectoral format. InterTradelreland met its targets for the year with over 3,000 firms utilising the Body's programmes and networks to develop their cross-border business capabilities. 67 of these firms were first time exporters and 92 firms became first time innovators as result of engaging in InterTradelreland's programmes. Its activities also contributed to the creation or protection of 512 jobs in 2012. New business support programmes piloted by InterTradelreland in 2011 - Innovation Challenge, Elevate and FP7 Support - continued to prove successful in 2012 in meeting the needs of SMEs. InterTradelreland's cross-border trade development programmes continued to provide a platform for SMEs, North and South, to develop their exporting potential which can lead to exporting off the island.

Interreg – enterprise theme

Under the EU Interreg IVA programme (2007-2013), the Department has jointly funded 28 enterprise development projects for the border region with its Northern Ireland counterpart Department, to the value of £49m / €58m. Throughout 2012, the Department continued the monitoring of these projects and engaged with other stakeholders in appropriate themes for the next round of the programme.

City and County Enterprise Board

The Department made substantial progress in 2012 in implementing the Government Decision of April 2012 to dissolve the existing County Enterprise Boards and create an enhanced national micro

enterprise support model, delivered through the Local Enterprise Offices (LEOs) to be established in each Local Authority area.

County and City Enterprise Boards (CEBs) have had an impressive track record in job supports over the last 20 years. The LEO structure will draw and build on the positive enterprise culture of the successful CEB model and will deliver tailored supports to the highest standards, benchmarked by Enterprise Ireland through its Centre of Excellence and delivered in partnership with the Local Authorities through a Service Level Agreement.

The creation of the LEOs will see the establishment of a First-Stop-Shop for new entrepreneurs and existing micros and small business owners. The LEOs will be supported by Enterprise Ireland's Centre of Excellence which will be responsible for developing an improved environment for small and micro business and utilising Enterprise Ireland's experience and specialised sectoral approaches to business innovation and development.

The LEOs will become the 'front door' through which all information in relation to State supports for small and micro business can be signposted, and where companies with clear high growth potential can be seamlessly fast-tracked to the next level of support by way of progression to Enterprise Ireland.

On the setting up of this project it was recognised that it was important to have a broad based implementation group and that the integration of different perspectives was important to its success. An Implementation Working Group (IWG), chaired by the Department of Jobs, Enterprise and Innovation (DJEI) was established. This comprised of representatives from the Department of Environment, Community & Local Government, DJEI, the County Enterprise Boards, the City and County Managers Association (CCMA) and Enterprise Ireland.

Key Progress to end 2012:

- Draft Heads of a Bill agreed (Government approved priority drafting of the legislation in November 2012)
- New Micro and Small Business Division established in Enterprise Ireland

- Company appointed to design new logo and associated branding following tendering process
- Two month public consultation on implementing the new arrangements initiated
- Detailed Framework Service Level Agreement (SLA) substantially progressed.

Details of the number of jobs associated with the CEB capital supports provided in 2012 are outlined below

City & County Enterprise Board (CEB) Employment Statistics	Number
Total no. of Jobs Supported by CEBs – end 2012	33,430
Total no. of New Full-Time Jobs Created by CEBs in 2012	256
Total no. of New Part-Time Jobs Created by CEBs in 2012	769
Total no. of Net New Jobs Created by CEBs in 2012 (New	640.5

Procurement reform

The Action Plan for Jobs 2012 included a number of measures aimed at implementing the commitment in the Programme for Government to improve access to public procurement for SMEs. These include ensuring that the qualifying criteria for public contracts are proportionate, and providing advice to firms on how to improve their engagement in the procurement process. These measures were delivered by various bodies, including Enterprise Ireland, InterTradeIreland, the National Procurement Service (NPS), the Department of Jobs, Enterprise and Innovation and the Department of Public Expenditure and Reform.

Enterprise Ireland is actively supporting its client companies in preparing and competing for public contracts. The agency has assigned 18 Advisors to work with companies in the procurement process. This support is in addition to the one-to-one engagement undertaken with client companies by

Enterprise Ireland's Procurement Team. During 2012, 697 clients have participated in events organised by the Public Procurement Team.

Enterprise Ireland, along with the NPS, has been encouraging client SMEs to register on the eTenders.ie and Procurement.ie websites so that they are alerted to upcoming public procurement opportunities. The agency has also been involved in "Meet the Buyer" events which bring together public sector buyers and potential suppliers. For example, over 500 suppliers met with a range of public sector buyers at one of these events in Kilkenny in October 2012, including the Health Service Executive, Dublin Airport Authority, An Garda Síochána, Central Procurement Directorate, National Procurement Service, and Vocational Education Committees (VECs).

A Procuring Innovation Initiative is one of the measures included in the Action Plan for Jobs to improve access by SMEs to public procurement opportunities. The initiative promotes a new approach to procurement on the part of Contracting Authorities by encouraging them to tender for a solution to a particular requirement, without being overly prescriptive as to what the solution might be. The objective is to allow greater scope for innovative SMEs to offer new solutions that can provide better value for money and more effective products/services for the Contracting Authorities.

Not every public contract will necessarily be amenable to the Procuring Innovation approach. The aim, however, is to identify a number of projects across the public service that are suitable to the provision of more innovative solutions and which can serve as exemplars for an expansion of this approach. Following a Roundtable meeting which Minister Bruton hosted in April 2012, a number of Departments and agencies expressed a willingness to participate in the Procuring Innovation Initiative in 2012. These include the Railway Procurement Agency (RPA), the Department of Defence, the HSE, ESB, the Department of Justice and Equality, the Irish Prison Service, An Garda Síochána and An Post. Enterprise Ireland has also been working with Bord Gáis in the context of the interim Irish Water utility to identify suitable projects for inclusion in the Procuring Innovation Initiative. Each of these Contracting Authorities has been working with Enterprise Ireland to develop an approach to tendering that will encourage the submission of innovative solutions for selected projects by SMEs.



Goal

4

Increasing Exports: Support enterprises to achieve challenging export targets

Export-led growth is essential for a return to sustainable economic growth and it is identified as a key component of the Programme for Government. Exports lead to sustainable job opportunities and growth in revenues for firms beyond that available from the domestic economy and have a substantial ripple effect across the entire economy in terms of jobs and tax revenues. The Programme for Government sets out an integrated approach by Government to develop trade, tourism and investment and confirms a number of targets to be achieved by 2015. A key objective is to increase the number of new jobs directly associated with exporting enterprises by over 150,000, in manufacturing, tourism and internationally trading services, and with the creation of a similar number of new indirect jobs.

In this context Enterprise Ireland has established a new Potential Exporters Division to reorient companies with growth potential from the domestic to the international marketplace. A new pilot programme to increase collaboration between Irish companies and multinationals has been launched and development has also commenced on an international mentor-adviser programme.

As evidenced by the impact of Ireland's successful export performance, trade can be a powerful engine for growth and job creation. In 2012 net exports contributed about 1.5% to GDP growth, creating essential economic activity in the economy that offset the downward pull of other components of economic growth such as consumption and investment, that have remained weak or in decline due to the economic crisis. Increasing trade is one of the few ways to bolster economic growth without the necessity of drawing on severely constrained public finances. The contribution of external demand to economic growth is bound to increase in future, as 90% of global economic growth in the next 10-15 years is expected to be generated outside Europe, a third of it in China alone.

Trade Policy

Trade policy is an essential component of the Department's priority in helping firms export and create quality employment and contribute to the ambitious international trade objectives in the Action Plan for Jobs. It is estimated that every €1m in exports from indigenous firms sustains four jobs. Across the EU, 30m jobs depend on sales to the rest of the world, an increase of 10m since 1995. This reflects the importance of world trade to both Ireland and to very large numbers of EU consumers, whose spending power also contributes to the growing success of our exporters across Europe.

During 2012, the EU continued to accelerate and deepen its ambitious bilateral trade agenda. As part of that programme, the agreement of EU Trade Ministers, at last November's Trade Council to open talks on a Free Trade Agreement (FTA) with Japan is very significant. In addition, negotiations on the goods elements of an FTA with Singapore were completed in December. This is again of great significance as Singapore is a gateway to the high growth markets of ASEAN (Association of Southeast Asian Nations) and is an economy of growing importance for us, especially in Services. A Deep and Comprehensive Free Trade Agreement (DCFTA) with Ukraine was initialled on 19 July 2012 following the initialling of the Association Agreement with that country in March. There was also a decision to start negotiations on a trade deal with Morocco.

EU – US economic relations

At the EU-US Summit in November 2011, leaders decided to establish a High-Level Working Group on Jobs and Growth (HLWG), in order to further enhance EU-US economic relations. The Group was

expected to identify and assess all options to strengthen the EU-US trade and investment relationship, especially in those areas with the highest potential to support jobs and growth. In its interim report, issued on 19 June 2012, the High Level Working Group reached the preliminary conclusion that a comprehensive transatlantic trade and investment agreement, if achievable, would be the option with the greatest potential for supporting jobs and promoting growth and competitiveness across the Atlantic.

Helping Keep Markets Open

The Department continues to pro-actively promote our strategic trade interests across all aspects of the EU international trade and investment agenda. While there is a particular emphasis on positioning Ireland to obtain the best deal from international bilateral trade agreements that will help exporters gain easier market access to growth markets, we also were active, in the EU's Market Access Advisory Committee, in addressing individual trade barriers that emerged during the year. Some new trade impediments which arose affected specific exporters or those in key sectors such as in agri-business or aviation technology markets. The Department actively uses this route to help tackle trade blockages that cannot be addressed through FTAs.

The Department continued to promote and administer the EU's Tariff Suspension and Tariff Quotas Schemes. These schemes permit the suspension of duties under the Common Customs Tariff (CCT) on imports of certain products, where it is established that EU industry is unable to obtain supplies of the product or suitable substitutes within the EU. In 2012 a representative of the Department attended six meetings of the EU's Economic Tariff Questions Group which considers applications submitted by all Member States. In 2012, 13 applications were submitted by Irish companies.

Global Trade Liberalisation and the Doha Development Agenda (DDA)

Ireland's Strategy Statement on Trade, Tourism and Investment connects seamlessly with the EU's trade policy - Trade Growth and World Affairs – which was published towards the end of 2010. This policy means a focussed involvement on negotiating a conclusion to the World Trade Organisation's (WTO) long running trade talks (the Doha Round or DDA) as well as concluding free trade and other

trade related agreements with important economic partners under the auspices of, or related to the WTO.

Discussions on free trade agreements, liberalization of world trade in the context of the WTO's Doha Round or using other avenues to expand opportunities for our exporters are directly linked to the overall enterprise support policies of the Department and its Agencies.

With the formal accessions during 2012 of Montenegro, Vanuatu, Samoa and most significantly Russia, membership of the World Trade Organisation grew to 157 at the year end. The European Union is Russia's largest trading partner and it is a key priority market for many of our exporters. Russia's accession to the WTO should bring many export advantages to our exporters that have an interest in that market as tariffs fall and other market access barriers are reduced.

In 2012 over 550 WTO related meetings were attended by the Department's officials. These included EU coordination and related meetings, as well as numerous WTO working sessions. These working sessions include key themes of trade liberalisation (Non Agricultural Market Access, Services and Agriculture) under the current Round of global trade talks known as the Doha Round and the broader WTO's work involving Trade Facilitation, Technical Barriers to Trade, Trade Policy Reviews, Disputes, and the international Technology Agreement as well as the start of talks on a new international agreement covering trade in international services.

Exports 2012

In 2012, Irish exports reached a record level of some €182b. This was the third successive year for year on year export growth. Service exports led the growth trajectory in 2012 with exports topping €90b, an 11% increase on 2011. Service exports also showed a surplus for the first time. The main category of Services exported was Computer Services which were valued at over €35b and accounted for 40% of Service exports. Merchandise exports also had a record year in 2012, reaching almost €92b. Once again there was a large surplus of almost €43b in our Merchandise trade.

The main categories of merchandise exports were Medical & pharmaceutical products (€24.4b) and Organic chemicals (mainly for pharmaceutical sector) (€20.1b). These two categories made up nearly half of all merchandise exports. The main destinations for Merchandise Exports in 2012 were USA (20%), UK (17%), Belgium (15%), Germany (8%), Switzerland (6%) and France (5%). China accounted for 2.4% of total merchandise exports.

Enterprise Ireland client companies achieved record export sales of €16.2b in 2012, with substantial growth coming from the North American and Asia Pacific markets. Non-food sector exports grew by 11%, while food sector exports were up by 2.3%.

Overseas Trade Events

2012 saw Ministers from the Department lead a number of Trade Missions abroad to USA (Texas and West Coast), Finland, Sweden, France, Japan and Canada. March 2012 also saw Minister Bruton accompany the Taoiseach on a strategic Trade Mission to China. In addition, Ministers from the Department attended trade and networking events abroad including events promoting Ireland's interests in the software and financial services sectors, while Ministers from other Departments also led Trade Missions to promote a range of export orientated sectors that are intrinsic to our growth and job creation aspirations.

Export Control

Increasing exports is a key goal of the Department and controls and restrictions on international trade are, therefore, unusual. While this report outlines the measures taken to achieve export growth, running parallel to these are measures to ensure the safe and responsible export of controlled goods and technology.

The security, regional stability and human rights concerns which underpin export controls are of paramount importance to the Department. Export control is an area in which the Department's strategic goal of supporting and facilitating trade plays an important role, ensuring the export of sensitive goods is specially catered for in the context of safeguarding EU and global principles underpinning export controls. Ensuring the appropriate level of licensing on exports of dual use and other goods and

technologies is especially important in facilitating exporters expand and develop global activities in high technology sectors.

The Department issued 855 export licences in 2012. This figure is comprised of 704 individual dual-use licences, 22 global dual-use licences and 129 military licences. Statistics on the number and value of export licences are published periodically on the Department's website.



Goal 5

Regulation:

Make markets, including the labour markets, work more efficiently through smart regulation which encourages innovation, keen competition, high standards of compliance and consumer protection but without unnecessary regulatory costs.

A well-functioning, robust and proportionate regulatory environment is a fundamental part of Ireland's competitive offering. International benchmarking statistics reveal that Ireland imposes a relatively low burden of regulation on business and that Ireland's regulatory environment is one of the more progressive and supportive environments for enterprise.

An effective and constructive regulatory environment must be supported through better business regulation, promoting competition and consumer rights, appropriately regulating enterprises, ensuring employment rights are protected and ensuring that workplace relations are well-managed including through the provision of the workplace relations machinery of the State. Further improving and modernising the regulatory environment provides an opportunity for Ireland to develop a competitive advantage which will foster and encourage the growth of enterprise on a sustainable basis. The Department has a number of Offices and Agencies with regulatory remits namely, the Competition Authority, the National Consumer Agency (NCA), the Office of the Director of

Corporate Enforcement (ODCE), the Companies Registration Office (CRO), the Registry of Friendly Societies (RFS), the Irish Auditing and Accounting Supervisory Authority (IAASA), the National Employment Rights Authority (NERA), the Employment Appeals Tribunal (EAT), the Labour Relations Commission (LRC), the Labour Court, the Health and Safety Authority (HSA) the Patents Office, and the Legal Metrology Unit of the NSAI. The Department also undertakes regulatory functions itself including export licensing and employment permits.

In pursuance of this goal during 2012, the following Companies legislation was advanced:

The Companies (Amendment) Act 2012, No 22 of 2012

This Act provides for the extension of the use of US Generally Accepted Accounting Principles (GAAP) provided for in the Companies (Miscellaneous Provisions) Act 2009 by relevant parent undertakings utilising these provisions from financial years ending at the latest on 31 December 2015, until financial years ending at the latest on 31 December 2020. The use of the provision is permitted on the basis that the application of those principles in the preparation of the undertaking's accounts does not contravene any of the provisions of the Companies Acts or any regulations made thereunder. The Act also extends the period in respect of which regulations may be made by the Minister, under the 2009 Act, designating the use of other recognised international accounting standards, from financial years ending on 31 December 2015 up to and in respect of financial years ending on 31 December 2020 at the latest. The Act was signed into law on 4 July 2012.

The Companies Bill 2012

The Companies Bill consolidates the existing 16 Companies Acts into one and introduces a range of reforms, which will reduce the administrative burden and make company law obligations easier to understand. The Bill, which is the largest substantive piece of legislation in the history of the State, was published on the 21st December 2012 and will proceed through the Oireachtas during 2013.

Amongst the reforms in the Companies Bill is a provision that will allow small private companies apply directly to the Circuit Court to have an examiner appointed rather than having to apply to the High Court first as is currently the case. It is hoped that the immediate impact of this change will be lower costs and greater accessibility for small private companies to the examinership process.

A number of Statutory Instruments were introduced in 2012 and these are included in the list in Appendix 3 of this Report. These include amendments required to be made to the Regulations that transposed EU financial markets directives into Irish law. The amendments were required to take account of decisions taken EU Finance Ministers at ECOFIN in 2010 to amend the financial markets infrastructure. Finally, the Department engaged in negotiations to amend the EU company law framework

The Competition (Amendment) Act 2012

This was signed into law by the President on 20 June 2012. This Act will strengthen competition law enforcement in Ireland. This fulfilled a commitment under the EU/IMF Programme of Financial Support for Ireland.

Reduction of Government Imposed Red-Tape on Business

Significant progress has been made by the Department with a reduction in administrative burdens of 25% achieved in the areas of Employment Law, Company Law and Health & Safety Law; this amounts to potential annual savings for business of almost €208m. The Department also coordinated the cross-Government measurement and reduction of administrative burdens towards a 25% target; at end 2012 the overall reduction is 19% or €289m, which includes the 25% achieved by this Department.

A new website, (www.businessregulation.ie) launched in June 2012, provides a single source of information for businesses on how to comply with regulatory requirements imposed by over thirty Government bodies. The portal helps businesses to identify the main regulations affecting them and reduces the need to search through multiple pages on different websites, by providing users with over 150 separate links to information, guidance and contact details. The Department continues to publicise the portal, including via joint business and communication events with other Departments and Agencies. One such event took place in October 2012 in conjunction with the Health & Safety Authority and five other Agencies; further events are planned for the future.

Supporting Co-operatives

The fees charged to industrial and provident societies (co-operative societies) when transacting business with the Registrar of Friendly Societies were reduced by between 33% and 80% with effect from October 2012. This means that almost all fees charged to co-operatives are now aligned with those charged to companies, thus reducing the financial obstacles to forming a co-operative society. The regulation setting the new fees also set appropriate fees for the establishment of a European Cooperative Society.

Reform of the State's Workplace Relations Services

Work commenced on the reform of the State's Workplace Relations Services. The Reform Programme will deliver a two tier Workplace Relations structure by merging the activities of the National Employment Rights Authority, the Labour Relations Commission, the Equality Tribunal and the first instance functions of the Employment Appeals Tribunal and the Labour Court into a new Body of First Instance, to be known as the Workplace Relations Commission. The appellate functions of the Employment Appeals Tribunal will be incorporated into an expanded Labour Court.

The following progress was made in 2012

- A dedicated Programme Office, staffed by personnel of the Department, was put in place to drive delivery of the reforms
- A single contact portal (Workplace Relations Customer Services) was established
- an interim workplace relations website was launched
- an interactive single complaint form was introduced
- *A Blueprint for Reform of Workplace Relations Services* was published on 5 April 2012
- A Pilot Early Resolution Service commenced operations in May, 2012

- Business Process Reviews of the operations and activities of the Workplace Relations Bodies were undertaken throughout 2012
- Procurement for a final Workplace Relations website (to replace the interim site and the websites of the 5 Workplace Relations Bodies) commenced in July, 2012 and a contract

was awarded in August. Design work on the new website was undertaken up to December, 2012

- Planning for the proposed CRMS (Customer Relationship Management Solution) for workplace relations commenced in July, 2012
- The transfer of the Equality Tribunal to the Department of Jobs, Enterprise and Innovation was approved by the Government on 18 December, 2012 with the transfer taking place from 1 January, 2013
- A significant amount of work was completed during 2012 on the preparation of the Workplace Relations Bill which will give statutory effect to the Reform proposals. In July 2012, the Minister published a policy document – *Legislating for a World Class Workplace Relations Service* - which was submitted to the Oireachtas Committee on Jobs, Enterprise and Innovation in order to give the Committee an early opportunity to shape the legislation. The Minister had a constructive dialogue with the Committee on the basis of this document. The Department continued to engage with the Office of the Attorney General in 2012 to progress the drafting of the Bill.

Collective Bargaining

The Programme for Government contains a commitment to reform the current law on employees' right to engage in collective bargaining (the Industrial Relations (Amendment) Act 2001), so as to ensure compliance by the State with recent judgments of the European Court of Human Rights. In December 2012, Minister Bruton wrote to relevant stakeholders inviting submissions on the matter.

A National Intellectual Property Protocol

The new National Intellectual Property (IP) Protocol was published in 2012, along with a new National IP Policy and Guidelines. A Central Technology Transfer Office has been established within Enterprise Ireland, to act as a first port of call for industry engagement with the research system. These new measures will make it easier to commercialise, and ultimately to create jobs from, ideas developed through publicly-funded research, which currently receives total funding of over €80m per annum.

The Patents (Amendment) Act 2012

The Patents (Amendment) Act 2012 was commenced on 3 September 2012. The Act implements legislative changes required to align our legislation to allow Ireland accede to the London Agreement on the application of Article 65 of the European Patent Convention. This Agreement provides for simplified translation requirements for European patents. The advantages for innovators in Ireland is that Irish investors seeking patent protection would no longer have to file translations of patent specifications to the same extent as currently obtains. This will have a direct benefit in terms of reduced costs in obtaining patent protection in those countries party to the London Agreement. Accession to the Agreement requires Government approval which will be sought in the course of 2013.

Unitary Patent regime and Unified Patent Court

In December 2012, agreement was reached on a “patent’s package” a legislative initiative consisting of two Regulations and an international Agreement laying the groundwork for the creation of unitary patent protection throughout the EU. This work continued in 2013 in the context of completing the final component of the “patents package” i.e. signature of the Unified Patent Court.

The European Union (Copyright and Related Rights) Regulations 2012

The European Union (Copyright and Related Rights) Regulations effected in July 2012, facilitate enforcement of copyright infringement by providing legal clarity to seek injunctive relief against intermediaries whose services are being used by a third party to infringe copyright. The Regulations respond to the EU Copyright Directive and confirm beyond doubt that relief before the Courts can be sought for aggrieved persons who allege copyright infringement activity.

Copyright Review

Over the course of 2012 the independent Copyright Review Committee set up in 2011 continued its examination of existing copyright legislation to identify any areas that might be deemed to create barriers to innovation. Further to an initial consultation phase, the Committee published a comprehensive Consultation Paper in February 2012 followed by a more indepth consultation in March 2012 to facilitate broader discussion on issues that arose in the Consultation phase. The latter consultation generated in the region of 180 submissions that raised a number of complex and substantive issues and the Committee is working to complete its work and publish its final Report in 2013.

The new Patent, Trade Marks and Designs (Fees) (Amendment) Rules 2012 and the Industrial Designs (Amendment) Regulations 2012.

The new amended rules and regulations provide for a more user-friendly process for IP rights owners intent upon protecting their IP rights in Ireland by the reduction of certain fees and the rationalisation of the fee structure relating to patents, trademarks and industrial designs. The changes bring Irish rules and regulations more into line with European and worldwide procedures and fees, which will reduce cost and greatly assist the business community, in particularly SMEs, in the protection of their IP rights in Ireland.

Health and Safety

Decrease in the number of reported workplace fatalities: the number of workplace deaths reported to the Health and Safety Authority, an Agency of this Department, fell from 54 in 2011 to 48 in 2012, a 13% decrease. The highest number of fatalities was in the high risk sectors of agriculture and construction. These are sectors where the HSA focussed particular attention, carrying out the highest number of inspections in line with the HSA's risk based approach to resource allocation.

Good health and safety practice makes good business sense, aids competitiveness, improves relations with workers and is, in fact, central to successful enterprise. Many businesses in Ireland, both indigenous and multinational, are placing best practice in health and safety at the centre of their enterprise strategy.

The aim of workplace health and safety and chemicals regulation policy is to support the embedding of occupational safety, health and welfare as an integral part of doing business in every Irish workplace and to ensure that the manufacture and use of chemicals in Ireland do not impact human health or the environment. This policy is delivered through a strong but balanced legislative base supported by a compliance and risk-based enforcement regime operated by the HSA which is aimed primarily at reducing workplace accidents through the provision of guidance and support to employers and employees to enable them meet their obligations. The HSA also provides guidance and support to Irish businesses on the safe management of chemicals.

Reducing the health & safety administrative burden on small business

In 2012, the HSA continued its efforts to support small businesses to meet their workplace health and safety obligation through its Taking Care of Business initiative. 'BeSMART' – a free online tool designed to help reduce costs for and the administrative burden on small businesses in meeting their legal obligations under the Safety, Health & Welfare at Work Act 2005 - continued to be rolled out and current estimates put potential savings for the SME sector as a whole in the region of €60-65m from this initiative. See www.besmart.ie for more detail.

In early 2012, the HSA launched a single licensing and notifications portal for occupational health and safety & chemicals on its website. See www.hsa.ie for more detail.

Chemicals Regulation

The chemicals industry and related sectors are an important component of the Irish economy, with the Irish pharma-chem and ICT sectors accounting for 58.3% and 7.8% respectively of Ireland's merchandise exports in 2012. EU Regulations such as REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) and Classification, Labelling and Packaging (CLP) require ongoing work at EU-level on implementation, review and amendment. The Department, with expert support from the Health and Safety Authority, services these demands. The Department and the HSA worked very closely together in 2012 to strive to maximise the support provided by the Authority to Irish manufacturers, importers and end-users as companies worked to comply with existing regulatory obligations and prepared for the REACH registration deadline of 1 June 2013.

In 2012 work proceeded on modernising Employment Permits with regard to the preparation of new Employment Permits legislation which is to provide for more flexibility and targeted instruments in support of the economy's evolving skills needs and economic conditions. The Heads of a Bill were approved by Government in April 2012 and during 2012 the Department engaged with the Office of the Parliamentary Counsel (OPC) in order to progress the drafting of the Bill.

Employment Permits

In order to assist the filling of key skills gaps (which cannot be filled from within the EEA) through the issuing of employment permits, the Department began a review of the four core employment permit types - Green Cards, Intra-Company Transfers, Work Permits and Spousal/Dependents with a view to

ensuring that they address the key skill gaps that exist and to improving the throughput and quality of employment permit applications. It also looked at ways to streamline the documentary process, to reduce the time it takes for applicants to prepare a successful application, and to reduce processing times. The target of 15 days was largely met for the majority of employment permits types.

In 2012 4,007 Employment Permits issued of which 2,919 were new permits and 1,088 renewal permits.

Employment Permits Processed

Year	Issued			Refused	Withdrawn	Awaiting processing (backlog)	Live Permits Existing
	New	Renewal	Total				
2012	2,919	1,088	4,007	829	246	179	14,245
2011	3,184	2,016	5,200	1,007	201	377	16,265
2010	3,394	3,877	7,271	990	199	999	18,987



Goal 6

Innovation: *Develop a broad based*

innovation strategy to make our enterprises more competitive

Strategic investment in science, technology and innovation is one of the Government's infrastructure investment priorities. In order to realise the return on investment in this area, issues to be addressed include start-up risk, embedding innovation throughout the economy, the need for collaboration between industry and research providers and the need to bring the outputs of research and innovation activity to the marketplace. Ireland must develop an economy renowned for high productivity and high innovation. The guiding principle underpinning this aim is that excellence in research and translation into economic output is a key engine to accelerate Ireland's economic recovery and the achievement of sustainable growth.

Achieving this goal requires us to maintain the standards in Research that Ireland has worked hard to achieve, support innovation in indigenous Irish enterprises, and build innovative capacity in the FDI sector. It also involves ensuring that the business environment supports innovation, and seeking to explore and exploit international linkages.

Research Prioritisation

The Report of the Research Prioritisation Steering Group, published in March 2012, recommended 14 areas of opportunity, as well as underpinning technologies and infrastructure to support these priority areas, which should receive the majority of public investment in Science, Technology and Innovation (STI) over the coming 5 years. The report also recommended a number of measures which were required to improve the efficiency and effectiveness of the STI system in order to support the implementation of prioritisation. In 2012, the Government agreed to the adoption of the report's recommendations as a whole of Government policy goal and the future alignment of the majority of public STI investment with the 14 areas of opportunity. The Prioritisation Action Group (PAG), under the chairmanship and political leadership of the Minister for Research and Innovation, Sean Sherlock TD, and supported by the Department of Jobs, Enterprise and Innovation and Forfás is driving implementation of research prioritisation. Action Plans have been developed for each of the 14 priority areas, as well as a Framework of Metrics and Targets for monitoring the impact of public STI Investment.

In December 2012, following Government approval, the Industrial Development (Science Foundation Ireland)(Amendment) Bill 2012 was published. The Bill extends the remit of SFI to include funding of applied research in addition to its current remit of funding oriented basic research. The Bill will also refocus the priority areas of SFI's funding towards the areas of greatest potential for Ireland's economic growth and competitiveness. These are the areas identified in the National Research Prioritisation Exercise. The Bill also looks to extend SFIs supports for research excellence on an all-Island basis as well as providing for opportunities for Ireland to deepen research collaborations on a wider pan-European level.

The Research Prioritisation Action Group has developed a new National Science, Technology and Innovation Policy for the period 2013 to 2017, to promote excellent research and innovation in priority areas for maximum economic and societal impact, specifically, by contributing to sustainable economic growth; by protecting and increasing employment; and by addressing societal challenges. The Group has also adopted Action Plans for the fourteen priority areas recommended in the 2011 National Research Prioritisation Report, in order to realign competitive public research funding around priority areas over the next five years.

The current policy is to accelerate the economic and societal return on our STI investment, especially in terms of sustainable jobs and to maintain the level of excellence in research in Ireland. A number of initiatives are being rolled out across Government in support of this strategy. Implementation across Government Departments and agencies of the recommendations of the Research Prioritisation Steering Group seeks to maximise the impact of our spend by focussing the majority of public competitive research funding on 14 priority areas which are most likely to deliver societal and economic impact. Other initiatives include expanding the remit of Science Foundation Ireland to cover applied research; a new Intellectual Property Protocol which gives more clarity and certainty around ownership of IP emerging from state funded research; the establishment of a Central Technology Transfer Office to act as a one stop shop providing an effective interface between industry and the research community and the R&D tax credit scheme which continues to encourage business to invest in research.

The annual Innovation Union Scoreboard gives a comparative assessment of the innovation performance of the EU 27 Member States and the relative strengths and weaknesses of their research and innovation systems. In the 2012 Scoreboard, published in March 2013, Ireland shows a performance above that of the EU 27 average (10th place) and amongst a group of 'Innovation Followers'. Ireland is notably ranked first for economic effects due to its strong performance in employment in knowledge-intensive activities and third for human resources. Ireland also performs well above the EU 27 average for indicators such as population with tertiary education, international scientific co-publications, and knowledge-intensive services exports. The average annual growth rate of Ireland's performance, as calculated over the five years 2008-2012, is positive at 0.7% notwithstanding the economic difficulties experienced over the period.

Forfás and the Central Statistics Office (CSO) monitor key indicators on an annual basis, such as BERD, HERD, GovERD and GERD, amongst others. Also, the Community Innovation Survey is a biennial survey of innovation activities of enterprises in Ireland and other EU Member States and is jointly conducted by the CSO and Forfás.

Through funding provided by the Department in support of Ireland's research agenda, Science Foundation Ireland (SFI) expended €156m in research grants funding in 2012. This enabled SFI to maintain direct supports to over 2,800 researchers and 28 top-class research centres. The funding provided to SFI via the Department also enabled SFI to significantly increase collaborations with industry whereby at the end of 2012 SFI researchers were connected to over 770 companies, a 20% increase over the 2011 figure of 642.

Amongst the most significant SFI related announcements made in 2012 were:

- In January 2012 Minister Sherlock announced second term SFI CSET funding totalling over €22m to LERO, the Irish Software Engineering Research Centre based at the University of Limerick. This funding will directly support 70 top-class researcher positions and over 100 PhD students up to the end of 2016. LERO is delivering world-leading research in software engineering with a special emphasis on Evolving Critical Systems (ECSs) which are directly relevant to industry and society globally in areas such as urban traffic control, medical devices, financial services and mobile communications. Industry partners include IBM, INTEL, Storm Technologies and QAD Ireland amongst others.
- In June 2012 Minister Bruton announced funding of €39m under the SFI Principal Investigator's (PI) Programme to 30 PI awards which directly employ 151 researcher posts for the next four years. Examples of supported research projects include green transport and communications networks, chronic inflammatory disease, climate change and next-generation batteries and industry partners involved include Analog Devices, J&J, Hitachi, Alcatel Lucent, Opsona and Sigmoid Pharma amongst a host of others.
- In November 2012 Ministers Bruton and Sherlock announced a significant research investment in excess of €30 million under the SFI Research Infrastructure Programme to support 37 cutting-edge projects spanning areas which include communications and future networks, ocean energy, sustainable food, pharmaceuticals and advanced manufacturing.

- Also during November Minister Bruton launched SFIs new strategic plan “Agenda 2020 – Excellence and Impact”, an ambitious eight-year plan with the vision being that Ireland will be seen as a global knowledge leader that places scientific and engineering research at the core of its society to power economic development and social progress.

The Programme of Research in Third-Level Institutions

During 2012 the Department also provided research funding of €54.7m to the Higher Education Authority to support over 40 projects under the Programme for Research in Third-level Institutions (PRTLTI). The PRTLTI supports the provision of top-class research infrastructure (buildings, laboratories and cutting edge equipment), national shared facilities and Structured PhD programmes across Ireland’s higher education institutions. A key aim of the PRTLTI is to develop critical mass in key research areas, thereby enhancing collaboration and coherence across Ireland’s research system.

During 2012 the PRTLTI related expenditure provided through DJEI supported research activities and training across Pharma/biopharmaceuticals, Medical Technologies, ICT, Energy and environment, Translational research biosciences/biomedical, Social Sciences & Humanities, Food and Drink, Engineering, physics and chemistry.

Dublin City of Science 2012 was enormously successful, with over 600,000 people taking part in science events across the country. Over 160 events and activities involving some of the world’s leading scientists attracted visitors and journalists from over 70 countries, demonstrating to the global scientific and business community that Ireland is a true centre of scientific excellence. Building on this success, a Festival of Curiosity will be held annually in Dublin, beginning in July 2013.

Technology Research Centres are collaborative entities established and led by industry; focused on research with a direct impact on industry. In 2012, three new Technology Centres were established in the areas of financial services, eLearning innovation and cloud computing. Existing Technology Centres were supported in the areas of biorefining and bioenergy; IT innovation; applied

nanotechnology; composite materials; microelectronics; food for health;—manufacturing and energy efficiency. Preparation is underway for the development of a further three centres over the coming year in the areas of connected health, data analytics and pharmaceuticals, which are all aligned to research priority areas.

During 2012, Enterprise Ireland launched the Technology Gateways initiative to support the next generation of industry-led centres in the Institutes of Technology. These Gateways will provide an 'open access' mechanism by which regional and national industry can harness the technological expertise within the Institutes of Technology.

The Tyndall National Institute, which is part-funded by the Department, supported Irish industry and academia through the work of world-class teams of researchers performing ground-breaking research on new materials, devices and systems. The ICT sector, in which Tyndall specialises, is of huge economic importance globally and provides the technological basis upon which most other manufacturing sectors depend for improvements in productivity, and all services (healthcare, energy management, transport, environmental management) depend for efficiency and improving delivery.

In January 2012 Science Foundation Ireland launched its new larger scale SFI Research Centres Programme call. Under this call SFI Research Centres will link scientists and engineers in partnerships across academia and industry to address crucial research questions, foster the development of new and existing Irish-based technology companies, attract industry that could make an important contribution to Ireland and the economy, and expand educational and career opportunities in Ireland in science and engineering. This SFI Research Centres call was a significant evolution in scale, ambition and direct industry involvement over the existing SFI CSET and Strategic Research Clusters programmes. An initial indicative €100m exchequer provision was outlined in this call along with a matching industry contribution of 30%.

Supporting Collaborative Research

Effective industry-academic collaboration is essential for the translation of the best ideas from the lab into innovative new products and services and, ultimately, the delivery of quality, sustainable jobs. In 2012, Enterprise Ireland recorded 712 collaborative interactions between industry and the higher education sector.

Forty Innovation Partnerships were funded by Enterprise Ireland in 2012 to support collaborative research between a company and a higher education research team. Enterprise Ireland also funded 525 Innovation Vouchers, allowing SMEs and microbusinesses to commission a small piece of research with a €5,000 voucher. This scheme plays an important role in helping smaller companies solve a business problem or take the first steps into research and development.

A National Intellectual Property Protocol

A new National Intellectual Property (IP) Protocol was published in 2012, to make it easier for companies to access and use ideas deriving from publicly funded research. A key recommendation from the report relates to the establishment of a central Technology Transfer Office within Enterprise Ireland, to act as a first port of call for industry engagement with the research system. This new office is expected to be up and running by end 2013. These new measures will make it easier to commercialise, and ultimately to create jobs from, ideas developed through the publicly-funded research, which currently receives total funding of over €800m per annum.

Transferring Technology from Research to the Marketplace

Throughout the year, Enterprise Ireland's Technology Transfer Strengthening Initiative continued to transform how research with commercial potential, developed within Higher Education Institutes, is brought to the marketplace. In 2012, 53 pieces of intellectual property were licenced to Enterprise Ireland client companies, while 14 new High Potential Start Up companies were spun out from the public research system.

The DCU Innovation Campus, a new national centre for innovation in the clean-tech sector, was officially opened in January 2013. The new campus will be a location of choice for high-growth

clean-tech start-ups, SMEs and larger companies and is expected to drive significant green economy growth, supporting 200 jobs over the initial eighteen months and 500 in the first five years.

Technology Research Centres are collaborative entities established and led by industry; focused on research with a direct impact on industry. Twelve new centres, involving the creation of 223 new jobs, have been established in a range of fields, including microelectronics, nanotechnology, bio-energy, manufacturing technology, energy efficiency, and learning technologies. Preparation is underway for the development of a further five centres over the coming year in the areas of health, data analytics, dairy technology, medical devices and pharmaceuticals.

In February 2012 Minister Sherlock announced funding of €6.5m through the joint SFI/Enterprise Ireland Technology Innovation Development Award (TIDA) programme. This TIDA funding administered by SFI will support 69 awards, the purpose being to realise a greater economic impact from the state investment in oriented basic research.

The Euroscience Open Forum 2012, held in the National Convention Centre Dublin from July 11 to 15, attracted many of the world's most influential scientists, as well as over 4,500 delegates from over 80 countries worldwide. There were major gains in terms of an enhanced positive reputation for Ireland in relation to science and commitment to scientific research and innovation. 'Ireland: Serious about Science' was the core message that was communicated by the Chief Scientific Adviser, Professor Patrick Cunningham, around the time of the conference. The Dublin City of Science initiative had a very positive impact in the area of science outreach and engagement, particularly with young people, with over 160 events being held countrywide over the course of the year. This served to bring science very much into the public consciousness and the initiative was successful in meeting its objective of opening people's minds to science.

Winning and maintaining investments in Research and Development (R&D) continues to be a key focus for IDA Ireland. In 2012 the Agency won 23 Research, Development and Innovation projects for Ireland. Our commitment to investing in research continued throughout 2012 with €517m being

invested in R&D by IDA client companies. At end 2012, 293 of IDA's client companies were each spending more than €100,000 per annum on R&D.

The sustained research investments provided by the Department through Science Foundation Ireland are enhancing IDA Ireland's foreign direct investment wins capability in the global marketplace. In 2012 SFI supported researchers were connected to over 40% of the new IDA jobs announcements made last year – with connectivity to companies who announced 4,575 new jobs.

Irish Presidency Priorities in Research and Innovation

The priorities for the Presidency in the Research and Innovation area are to achieve agreement at the Competitiveness Council on a range of agenda items aimed at enhancing European economic recovery, competitiveness and growth. The key priority areas include the following:

- Horizon 2020 package: to achieve agreement on the Horizon 2020 package, which is the European funding programme for research and innovation for the period 2014-2020;
- European Research Area/Joint Programming: to progress more joined up and coherent national research agendas across Member States in order to achieve a fully developed European Research Area and, thereby, more effectively address societal challenges such as Alzheimers, diabetes, food security.

The national support structure, coordinated by Enterprise Ireland, for Ireland's participation in the European Union's 7th Framework Programme for Research and Technological Development 2007-2013 (FP7) continued to assist, support and encourage public and private researchers and research teams to participate in FP7 funding calls. From 2007 up to November 2012 awards of funding to Irish-based participants amounted to €485m.

Two joint Agency R&D workshops were held on 7 November 2012 and 4 December 2012 in Dublin and Galway respectively. The feedback from both workshops was extremely positive. An Enterprise guide on R&D Tax Credits has been drafted to reflect content and industry interaction at the R&D workshops held in November/December 2012. The brochure will be launched following the

publication of the Finance Bill 2013 to allow for the inclusion of any possible final changes that may be necessary.

Goal

7

Developing Sectors with Potential:

Prioritise sectors of opportunity and systematically remove obstacles and develop enabling policies

Pharma & chemicals, ICT, and international financial services are examples of sectors which now provide significant employment in Ireland, contribute substantially to exports and have attracted many of the world's leading companies to locate in Ireland over the last two decades. While these sectors will continue to play an important role in the Irish economy, it is also important to seek to catch the next wave of emerging sectors so that Ireland benefits from the creation of sustainable long-term jobs. This involves targeting new sectors actively, and urgently identifying and removing obstacles that may stand in the way of such opportunities.

Sectors which have been identified as holding significant potential for Ireland include Health LifeSciences & medtech, "silver" technology, cloud computing, digital economy & media services, the video games sector (especially digital gaming), and the green economy (especially Cleantech).

In this context Minister Bruton awarded €1.2m to a consortium of Higher Education institutions to carry out the initial research phase of Ireland's Cloud Computing Technology Centre. An industry-led Clustering Development Team has been established to drive implementation of the Forfás Games Strategy. Particular attention is being given to identifying the training and educational needs of the companies operating in the games sector and exploring how State agencies represented can meet these

The fourth Internet Growth Acceleration Programme (iGap) was launched in October 2012. iGap is an intensive management development programme for high potential internet/games companies, aimed at equipping them with the practical tools needed to formulate international growth plans and scale their businesses.

Creating Green Jobs

The Green Economy is one of the most dynamic and rapidly growing markets in the world and presents a major opportunity for growth, competitiveness and employment creation for Ireland. The Green Economy is often perceived as referring just to climate change, carbon emissions and renewable energy. In fact, the term covers a wide range of sectors that have in common the objective of providing goods and services in a sustainable way that reduces the impact on the environment.

In Ireland this covers activities such as waste and water management, renewable energy, energy efficiency, sustainable food production, tourism, green financial services and green products and services. Ireland has significant strengths and comparative advantages which it can leverage to exploit business opportunities in sectors such as renewable energy, smart grids, sustainable food, tourism and energy efficient products and services.

The Action Plan for Jobs 2012 identified the Green Economy as an area where we can create and sustain a comparative advantage and realise job growth and included a commitment to publish and implement a new plan for the development of the Green Economy. This measure was included in the Action Plan in response to a consistent message from industry and from State agencies that the most pressing requirement to stimulate private sector confidence and investment in the sector is a clear

statement of intent on the part of the Government of its commitment to the development of the Green Economy in Ireland.

In November 2012, the Government launched 'Delivering our Green Potential: a Policy Statement on Growth and Employment in the Green Economy' Delivering our Green Potential sets out the enterprise opportunities for Ireland in each sub-sector of the Green Economy, the actions the Government is taking to develop each sub-sector and the structures which will be put in place to support the development of the Green Economy.

The development of the Green Economy in Ireland is overseen by the Cabinet Committee on Climate Change and the Green Economy, which is chaired by the Taoiseach. In addition, the policy statement provided for the establishment of a Consultative Committee on Jobs in the Green Economy, chaired by the Minister for Jobs, Enterprise and Innovation to identify emerging opportunities for Ireland in the Green Economy.

Establish Ireland as a Renewable Manufacturing Hub

The *Strategy for Renewable Energy 2012-2020* was launched in 2012 and outlines strategic goals and specific actions to maximise the economic potential of renewable energy. These include: increasing the use of on and offshore wind, developing a sustainable bio-energy sector, fostering research and development, growing sustainable transport and building up robust and efficient smart energy networks.

The Green Economy presents a major economic opportunity for employment creation in Ireland. The Green Economy is one of the most dynamic and rapidly growing markets in the world and presents a major opportunity for growth, competitiveness and employment creation for Ireland.

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In Ireland this covers activities such as waste and water management, renewable energy, energy efficiency, sustainable food production, tourism, green financial services and green products and services. Ireland has significant strengths and advantages which it can leverage to exploit business opportunities in sectors such as renewable energy, smart grids, sustainable food, tourism, energy efficient products and services, and others.

The Action Plan for Jobs 2012 identified the Green Economy as an area where Ireland can create and sustain a competitive advantage and realise job growth and included a commitment to publish and implement a new Plan for the Development of the Green Economy.

This measure was included in the Action Plan for Jobs in response to a consistent message from industry and from State agencies that the most pressing requirement to stimulate private sector confidence and investment in the sector is a clear statement of intent on the part of Government of its commitment to the Green Economy.

In November 2012, the Government published its Policy Statement on Growth and Employment in the Green Economy, Delivering Our Green Potential sets out the enterprise opportunities in each sub-sector of the Green Economy, the actions the Government is taking to develop the Green Economy in each area and the structures which will be put in place to support the development of the Green Economy.

The development of the green economy in Ireland is overseen by the Cabinet Committee on Climate Change and the Green Economy which is chaired by the Taoiseach. In addition, the Plan provided for the establishment of a Consultative Committee on the Green Economy, chaired by the Minister for Jobs, Enterprise and Innovation to identify emerging opportunities for Ireland in the Green Economy. The Consultative Committee, established in 2013, involves representatives from the enterprise sector as well as other key stakeholders, including relevant Government Departments and agencies, as part of its remit.

Ireland's Membership of the European Space Agency

2012 represented a key year in Ireland's involvement in European Space Agency (ESA), with Ireland continuing and expanding its participation in a number of ESA space programmes, announced at the ESA Ministerial Council in November 2012. Irish industrial and research participation in the programmes of the European Space Agency continued to expand and develop in 2012, with 19 Irish companies and 8 research teams securing ESA contracts with a combined value of €10.1m. The industrial activities supported by ESA support development activities leading to new product development and qualification in Irish industry that generate export sales and increased sustainable employment.

Health Innovation Hub

The Government is supporting a pilot Health Innovation Hub, which is based in UCC and is supporting the development and commercialisation of new ideas from domestic enterprise, which will benefit the Irish healthcare system. Learning from this pilot, it is intended to roll out a National Health Innovation Hub in 2014 to drive collaboration between the health system and enterprise leading to the development and commercialisation of new healthcare technologies, products and services.

The manufacturing sector in Ireland has experienced considerable structural change over the last decade. Although it operates in a very challenging and internationally competitive environment, there is considerable potential for the manufacturing sector in Ireland.

The Action Plan for Jobs 2012 set out a number of actions to address particular issues facing the manufacturing sector in Ireland, which include the need to address the costs of production, the issue of scale and absorptive capacity, management development and upskilling, among a number of other issues.

In 2012, Forfás undertook a detailed analysis of the sector in Ireland and produced a Manufacturing Strategy 'Making it in Ireland: Manufacturing 2020'. The Strategy contains a number of recommendations to help remove barriers to employment-creation and improve the competitiveness of

the sector. The Department established a Manufacturing Development Forum, also in 2012, comprising industry representatives and other key stakeholders, to help drive the implementation of these recommendations. The work of the Forum has continued into 2013 and has focused on issues impacting both the indigenous sector and those multi-national companies based in Ireland whose activities could contribute to the growth of the Irish manufacturing sector.

SMEs tend to be less likely than larger companies to be actively involved in standards development. It is necessary, therefore, to identify ways to ensure that the needs of SMEs are taken into account in the standardization process, which involves standards bodies, associations representing SMEs and the SMEs themselves.

The NSAI's "Your Standards Your Say" SME web portal launched in 2012, offers Irish SMEs and individuals several benefits, including: pre-market intelligence on draft Standards (Irish and international), which may affect their enterprise and greater visibility on how Standards are devised. Companies and individuals may comment and make contributions on upcoming Standards, thereby potentially influencing the final Standard to be published.

During 2012, the NSAI also oversaw the work of 50 Standards Consultative Committees, with in excess of 1,500 experts who gave their time freely to ensure Ireland's contribution is represented in the International Standards Committees. These two processes help to ensure that standards are widely accepted by all stakeholders, including SMEs and also help to accelerate economic growth.

In October 2012, NSAI also launched the first "Winning Business Through Standards" Workshop. This was targeted at SMEs to provide an introduction to the inner workings of Standardization. Ninety SME delegates from Irish industry attended the workshop and similar events are planned for 2013.



Goal

8

Delivering the Strategy and Managing Change

The Department's ambition is to become a pioneer of best practice in the Civil Service in setting and delivering on performance targets. The importance of this is underlined by the fact that we are seeking to achieve our strategic goals against a background of a significant decline in staff and financial resources.

Cross-functional and cross-Departmental collaboration

During 2012, the Department began rolling out a suite of collaboration tools to address some of the issues traditionally faced by organisations such as the development of knowledge silos and loss of corporate memory. These tools are now being used in a number of areas where teams are geographically dispersed or a requirement for cross functional collaboration is required. For example, staff members in the interim Workplace Relations Commission have been using these tools to collaborate on integration projects.

Review all Agency and Office structures

In accordance with Government announcement in November 2011 that a comprehensive review of State Agencies would be undertaken by June 2012 with a view to rationalising, amalgamating or abolishing agencies, a review of the future strategic role of Shannon Development commenced in the Department in late 2011. In conducting this review regard was had to fact that the business model that had supported Shannon Development's wide ranging mandate, financed through the revenues from its property portfolio, was no longer robust.

Following extensive engagement with the Department of Transport, Tourism and Sport, the Government, on 8 May 2012, approved proposals submitted by Ministers Bruton and Varadkar to separate Shannon Airport from the Dublin Airport Authority and to merge Shannon Development with Shannon Airport to form a new entity with a commercial mandate in public ownership. In making this announcement the Ministers agreed to establish a high level Steering Group to determine the most effective organisational structure of the new entity, develop an implementation strategy for the new body and a plan setting out how the entity would help to achieve strong regional development, while ensuring the highest standard of support for enterprises in the region. The Group's guiding principle would be the future development of the Shannon area.

Detailed proposals outlining the way forward were presented to Government for consideration in November 2012. Subsequently, in early December, Ministers Bruton and Varadkar announced that the Government had decided to proceed with the separation of Shannon Airport from the Dublin Airport Authority and to merge the airport with a restructured Shannon Development to form a new integrated Shannon entity in public ownership. By Order (which was approved by both Houses of the Oireachtas) under the State Airports Act 2004, separation took place on 31 December 2012.

In accordance with the Government's decision, the high level Steering Group has been re-established with a broader membership and is working to oversee the implementation of transitional arrangements in both Shannon Airport and Shannon Development and the full implementation of the Government decision in relation to the establishment of the new entity.

ICT Strategy

Following a wide consultation process with stakeholders during 2012 significant progress was made towards a new ICT strategy, focused in particular on supporting the Department's delivery of its strategic goals. As part of this process, the Department's ICT governance structures have been renewed and updated to ensure a high level of project oversight, which is particularly important as resources become more constrained.

New Departmental Website

The Department launched a new web presence in May 2012 www.enterprise.gov.ie. The new website was designed using a modern, media rich design with a front page that will be updated regularly. It is also mobile friendly. Initially, this new website does not replace the existing Departmental website, but will complement it by delivering a broad overview of the breadth of the Department's activities, in a format which delivers fresh, media rich content. Work commenced during 2013 to consolidate the existing Departmental website onto the new platform. The new website has also delivered a software platform which has allowed a number of the Department's smaller websites to be consolidated on a single platform for ease of support and maintenance.

Institutional Reform

The Department has been working closely with Forfás, in advance of the integration of the two organisations. This work has focused on a number of key areas which will be important to the success of the integration. For example, to ensure that optimal ICT supports will be available to the merged organisation, and also to support reform of the workplace relations institutions. The Department also cooperated closely with its agencies and with other Government Departments in procurement initiatives to deliver optimum value and reduce procurement overheads. A number of shared procurement initiatives have been undertaken.

An online skills register was designed and launched in-house in 2012 to capture the experiential, academic and professional skills of the staff of the Department and its Offices.

A pilot workforce planning project was carried out in one Division of the Department in late 2011 and reported on, with recommendations, in early 2012. Later in 2012, in response to a central workforce planning initiative by the Department of Public Expenditure and Reform (DPER), a Department-wide workforce planning exercise was completed and a Workforce Planning Action Plan was submitted to DPER.

Appendix 1

Audited Financial Statements as at 31 December 2012

Balance Sheet as at 31 December 2012

		2012	2011
	Note	€000	€000
Capital assets	2.3	6,637	7,498
Capital assets under development	2.4	584	552
		<u>7,221</u>	<u>8,050</u>
Current Assets			
Bank and cash	2.5	27,929	37,596
Stocks	2.6	317	279
Prepayments		575	442
Accrued income		1,078	883
Other debit balances	2.7	1,375	1,699
Total current assets		<u>31,274</u>	<u>40,899</u>
Less current liabilities			
Accrued expenses		441	647
Deferred income		1,484	1,668

Other credit balances	2.8	4,029	18,774
Net liability to the Exchequer	2.9	25,275	20,521
Total current liabilities		<u>31,229</u>	<u>41,610</u>
Net current assets/ (liabilities)		<u>45</u>	<u>(711)</u>
Net assets		<u>7,266</u>	<u>7,339</u>
Represented by:			
State funding account	2.1	<u>7,266</u>	<u>7,339</u>

2.1 State Funding Account	Note	2012	2011
		€000	€000
Balance at 1 January		7,339	9,373
Funding drawn down	2.2	822,408	810,575
Non cash expenditure – notional rent	1	1,685	1,669
Net programme cost	1	(824,166)	(813,950)
Loss on transfer of assets to Department of Social Protection		—	(328)
Balance at 31 December		<u>7,266</u>	<u>7,339</u>

2.2 Funding drawn down	Note	2012	2011
		€000	€000
Disbursements from the Vote			
Estimate provision	Account	846,408	844,841
Deferred surrender	Account	(25,000)	(18,125)
Surplus to be surrendered	Account	(20,864)	(38,189)
		<u>800,544</u>	<u>788,527</u>
Expenditure (cash) borne elsewhere	1	21,864	22,048
Total funding drawn down		<u>822,408</u>	<u>810,575</u>

2.3 Capital Assets

	Office and IT equipment	Furniture and fittings	Total
	€000	€000	€000
Gross assets			
Cost or valuation at 1 January 2012	32,887	6,624	39,511
Prior year adjustment ¹	(4)	4	—
Additions	1,358	17	1,375
Disposals	(153)	(3)	(156)
Cost or valuation at 31 December 2012	34,088	6,642	40,730
Accumulated depreciation			
Opening balance at 1 January 2012	25,740	6,273	32,013
Prior year adjustment ¹	(1)	1	—
Depreciation for the year	2,074	162	2,236
Depreciation on disposals	(153)	(3)	(156)
Cumulative depreciation at 31 December 2012	27,660	6,433	34,093
Net assets at 31 December 2012	6,428	209	6,637
Net assets at 31 December 2011	7,147	351	7,498

¹ The prior year adjustment reflects the reclassification of certain assets and the related impact on accumulated depreciation following a review of the asset register.

2.4 Capital Assets under Development

at 31 December	In-house computer applications
	€000
Amounts brought forward at 1 January 2012	552
Cash payments in year	955
Brought into use in year	(923)
Balance at 31 December 2012	584

2.5 Bank and Cash

	2012	2011
at 31 December	€000	€000
PMG balances and cash	27,985	37,771
Orders outstanding	(56)	(175)
	<u>27,929</u>	<u>37,596</u>

2.6 Stocks

	2012	2011
at 31 December	€000	€000
Stationery	238	201
IT supplies	60	61
Cleaning materials	19	17
	<hr/>	<hr/>
	317	279
	<hr/>	<hr/>

2012 2011

2.7 Other Debit Balances

at 31 December	€000	€000
Imprests advanced	—	20
Department of Justice and Equality	—	35
Department of Arts, Sport and Tourism	—	7
Advances to OPW	217	30
Miscellaneous debit balances	483	527
Recoupable expenditure	675	1,080
	<hr/>	<hr/>
	1,375	1,699
	<hr/>	<hr/>

2012 2011

2.8 Other Credit Balances

at 31 December	€000	€000
Amounts due to the State		
Income Tax	91	66
Superannuation contributions	—	389
Pay Related Social Insurance	65	(25)
Income Levy	(1)	(1)
Professional Services Withholding Tax	86	71
VAT on Intra EU Acquisitions	2	31
	<hr/>	<hr/>
	243	531
Miscellaneous credit balances	3,786	18,243
	<hr/>	<hr/>
	4,029	18,774
	<hr/>	<hr/>

2.9 Net Liability to the

2012 2011

Exchequer

at 31 December €000 €000

Surplus to be surrendered	20,864	38,190
Deferred surrender	25,000	18,125
Exchequer grant undrawn	(20,589)	(35,794)
Net liability to the Exchequer	<u>25,275</u>	<u>20,521</u>

Represented by:**Debtors**

Bank and cash	27,929	37,596
Debit balances: suspense	1,375	1,699
	<u>29,304</u>	<u>39,295</u>

Creditors

Due to State	(243)	(531)
Credit balances: suspense	(3,786)	(18,243)
	<u>(4,029)</u>	<u>(18,774)</u>
	<u>25,275</u>	<u>20,521</u>

2.10 Commitments	2012	2011
at 31 December	€000	€000

Global commitments

(A) Procurement	51	71
(B) Grants ¹	1,082,095	1,239,167

¹ Includes expenditure from own resource income.

Multi-annual capital commitments over €6.35 million

	Cumulative Expenditure to 31 December 2011 ²	Expenditure in 2012	Subsequent years	Total
	€000	€000	€000	€000
IDA Ireland	228,400	38,000	53,200	319,600
Enterprise Ireland	87,285	29,014	93,860	210,159
Shannon Development	13,094	3,839	6,488	23,421
Science Foundation Ireland	166,837	53,062	86,256	306,155
Programme for Research in Third Level Institutions (PRLTI)	55,623	26,881	111,895	194,399
	<u>551,239</u>	<u>150,796</u>	<u>351,699</u>	<u>1,053,734</u>

² Excludes projects completed by end of 2011.

2.11 Matured Liabilities.

Estimated matured liabilities un-discharged at the year-end were €162,831.

Vote 32 Department of Jobs, Enterprise & Innovation, Appropriation Account 2012

	2012		2011
	Estimate provision	Outturn	Outturn
	€000	€000	€000
Programme Expenditure			
A Jobs and Enterprise Development			
<i>Original</i>	400,59		
	8		
<i>Deferred Surrender</i>	13,125		
<i>Supplementary</i>	501	414,224	400,505
			379,356
B Innovation			
<i>Original</i>	396,86		
	8		
<i>Deferred Surrender</i>	5,000		
<i>Supplementary</i>	1	401,869	376,608
			387,463
C Regulation			
		84,087	73,773
			77,793
Gross expenditure			
<i>Original</i>	881,553		
<i>Deferred Surrender</i>	18,125		
<i>Supplementary</i>	502		

			900,180	850,886	844,612
	<i>Deduct</i>				
D	Appropriations-in-aid				
	<i>Original</i>	53,272			
	<i>Supplementary</i>	500	53,772	50,342	56,085
		<u> </u>			
	Net expenditure				
	<i>Original</i>	828,281			
	<i>Deferred Surrender</i>	18,125			
	<i>Supplementary</i>	2			
		<u> </u>			
			846,408	800,544	788,527
			<u> </u>	<u> </u>	<u> </u>

Surplus for surrender

The surplus of the amount provided over the net amount applied is due for surrender to the Exchequer. Under section 91 of the Finance Act 2004, all or part of any unspent appropriations for capital supply services may be carried over for spending in the following year.

	2012	2011
	€	€
Surplus for the year	45,863,737	56,314,575
Deferred surrender	25,000,000	18,125,000
Surplus to be surrendered	<u>20,863,737</u>	<u>38,189,575</u>

Analysis of administration expenditure

	2012		2011
	Estimate	Outturn	Outturn
	provision		
	€000	€000	€000
i Salaries, wages and allowances	21,540	20,674	22,797
ii Travel and subsistence	506	451	410
iii Training and development and incidental expenses	494	497	462
iv Postal and telecommunications services	615	529	663
v Office equipment and external IT services	3,331	2,933	2,952
vi Office premises expenses	852	754	932
vii Consultancy services and value for money and policy reviews	231	123	139
viii Advertising and information resources	259	86	150
ix EU Presidency	1,956	619	—
	<u>29,784</u>	<u>26,666</u>	<u>28,505</u>

Notes to the Appropriation Account

1 Operating Cost Statement 2012

	2012		2011
	€000	€000	€000
Programme cost		824,221	816,108
Pay ¹		21,047	22,796
Non pay		5,618	5,708
Gross expenditure		850,886	844,61
			2
<i>Deduct</i>			
Appropriations-in-aid		50,342	56,085
Net expenditure		800,544	788,52
			7
Changes in capital assets			
Purchases cash	(452)		
Depreciation	2,236		
Loss on disposals	—		
		1,784	1,889
Changes in assets under development			
Cash payments		(955)	(839)
Changes in net current assets			
Decrease in closing accruals	(718)		

Increase in stock	(38)	
	<u>(756)</u>	<u>656</u>
Direct expenditure	800,61	790,23
	7	3
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	21,864	22,048
Notional rents	<u>1,685</u>	<u>1,669</u>
Net programme cost	824,166	813,95
	<u><u> </u></u>	<u><u> </u></u>
		0

¹ The difference of €373,000 between the pay figure shown in the Operating Cost Statement (€21,047,000) and the pay figure included at (i) of the administration cost analysis (€20,674,000), relates to pay related expenditure on the EU Presidency, which is included at (ix) of the administration cost analysis. The estimate provision of all costs associated with the EU Presidency was included under a separate heading in the administration cost analysis.

1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 32 borne elsewhere.

	2012	2011
	€000	€000
Vote 9 Office of the Revenue Commissioners	255	262
Vote 12 Superannuation and Retired Allowances	15,394	14,830
Vote 13 Office of Public Works	5,962	6,512
Vote 20 Garda Síochána	—	61
Central Fund - Ministerial pensions	253	383
	<u>21,864</u>	<u>22,048</u>

Appendix 2

Bills published in 2012

Companies (Amendment) Act 2012, No. 22 of 2012 - The Act was signed into law on 4th July, 2012. Publication of the Bill occurred on 20th April, 2012.

Companies Bill 2012 - published 21 December 2013

Competition (Amendment) Act 2012 – The Act was signed into law on 20 June 2012. Publication of the Bill occurred on 26 September 2011

Appendix 3

Statutory Instruments made in 2012

S.I. No. 30 of 2012	Patents, Trade Marks & Design (Fees) (Amendment) Rules 2012
S.I. No. 31 of 2012	Industrial Designs (Amendment) Regulations 2012
S.I. No. 59 of 2012	The European Union (Copyright and Related Rights) Regulations 2012
S.I. No. 96 of 2012	Companies (Auditing and Accounting) Act 2003 (Procedures Governing the Conduct of Section 23 Enquires) Regulations 2012
S.I. No. 97 of 2012	Companies (Auditing and Accounting) Act 2003 (Procedures Governing the Conduct of Section 24 Investigations) Regulations 2012
S.I. No. 142 of 2012	European Union (Textile Fibre Names and Related Labelling and Marking of the Fibre Composition of Textile Products) Regulations 2012
S.I. No. 143 of 2012	Consumer Protection (Consumer Information) (Articles of Precious Metals) Regulations 2012
S.I. No. 153 of 2012	European Union (Restrictive Measures) (Syria) Regulations 2012
S.I. No. 165 of 2012	European Union (Restrictive Measures) (Belarus) Regulations 2012
S.I. No. 216 of 2012	Control of Exports (Goods and Technology) Order 2012

S.I. No. 217 of 2012	Customs-Free Airport (Extension of Laws) Regulations 2012
S.I. No. 236 of 2012	Competition (Amendment) Act 2012 (Commencement) Order 2012
S.I. .No. 238 of 2012	Transparency (Directive 2004/109/EC) (Amendment) Regulations 2012
S.I. No. 239 of 2012	Prospectus (Directive 2003/71/EC) (Amendment) Regulations 2012
S.I. No. 302 of 2012	Industrial Relations (Amendment) Act 2012 (Commencement) Order 2012
S.I. No. 308 of 2012	Companies (Amendment) (No. 2) Act 1999 (Section 32) Order 2012
S.I. No. 309 of 2012	European Communities (Intra-Community Transfers of Defence-Related Products) (Amendment) Regulations 2012
S.I. No. 312 of 2012	European Union (Third Country Auditors and Audit Entities Equivalence, Transitional Period and Fees) Regulations 2012
S.I. No. 315 of 2012	Market Abuse (Directive 2003/6/EC) (Amendment) Regulations 2012
S.I. No. 316 of 2012	Transparency (Directive 2004/109/EC) (Amendment) (No. 2) Regulations 2012
S.I. No. 317 of 2012	Prospectus (Directive 2003/71/EC) (Amendment) (No. 2) Regulations 2012
S.I. No. 329 of 2012	Patents (Amendment) Act 2012 (Commencement) Order 2012
S.I. No. 334 of 2012	Patents (Amendment) Rules 2012
S.I. No. 335 of 2012	Patents, Trade Marks and Designs (Fees) (Amendment) (No. 2) Rules 2012
S.I. No. 338 of 2012	European Union (Restrictive Measures Against Iran) Regulations 2012
S.I. No. 339 of 2012	European Communities (Control Of Trade In Goods That May Be Used for Torture) (Amendment) Regulations 2012
S.I. No. 363 of 2012	Industrial and Provident Societies and The European Cooperative Society (Fees) Regulations 2012

- S.I. No. 445 of 2012 Safety, Health and Welfare at Work (General Application) (Amendment) Regulations 2012
- S.I. No. 446 of 2012 Safety, Health and Welfare at Work Act 2005 (Commencement) Order 2012
- S.I. No. 449 of 2012 Investment Funds, Companies Miscellaneous Provisions Act 2005 (Section 72) (Commencement) Order 2012
- S.I. No. 461 of 2012 Safety, Health and Welfare at Work (Construction) (Amendment) Regulations 2012
- S.I. No. 481 of 2012 Safety, Health and Welfare at Work (Construction) (Amendment) (No. 2) Regulations 2012
- S.I. No. 485 of 2012 European Communities (Cooperation between National Authorities Responsible for the Enforcement of Consumer Protection Laws) (Amendment) Regulations 2012
- S.I. No. 486 of 2012 European Union (Public Limited Companies) (Directive 2012/30/EU) Regulations 2012
- S.I. No. 510 of 2012 European Union (International Financial Reporting Standards) Regulations 2012
- S.I. No. 523 of 2012 Personal Injuries Assessment Board (Fees) (Amendment) Regulations 2012
- S.I. No. 528 of 2012 Dangerous Substances (Retail and Private Petroleum Stores) (Amendment) Regulations 2012
- S.I. No. 547 of 2012 Companies (Fees) Order 2012