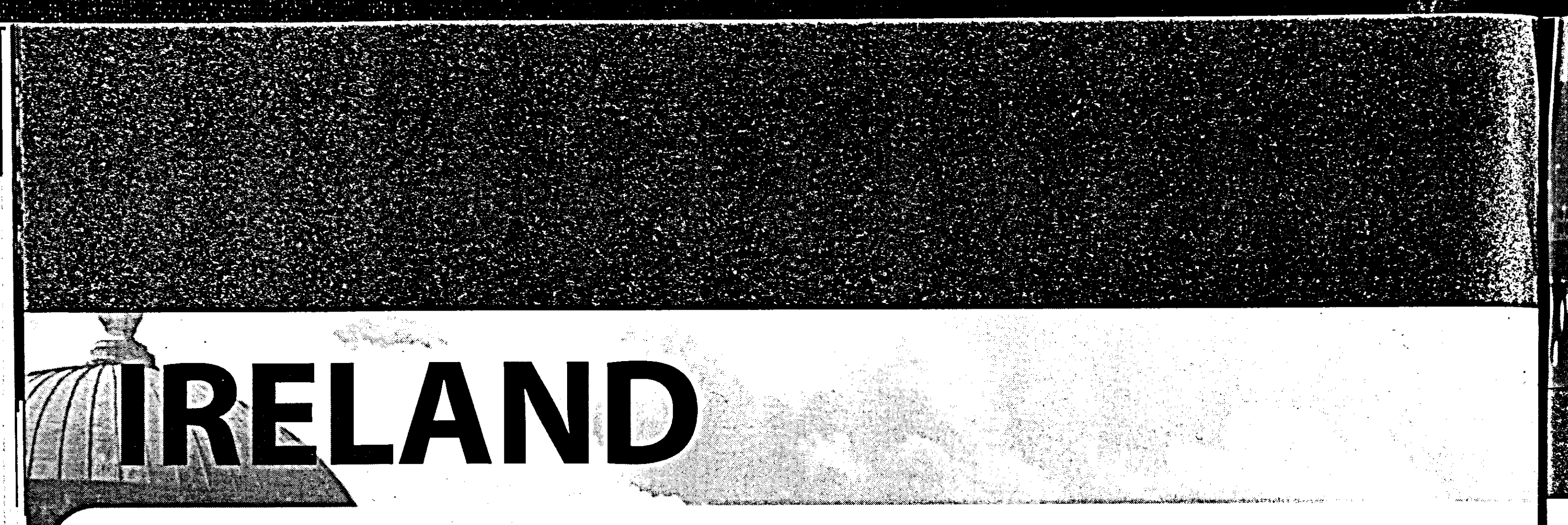

IRELAND

Despite its small size (70,000 square kilometres, only slightly smaller than New Brunswick) and small population (under four million people), the 26 counties that make up the Republic of Ireland are a lucrative trading partner for Canada. Canada exports more to Ireland than to Austria, the Czech Republic, Denmark, Finland, Greece, Hungary, Luxembourg, Poland, Portugal, Russia, Romania, Sweden or Turkey. Greater economic unification between Northern Ireland and the Republic of Ireland following the expected implementation of the *Good Friday Agreement* should increase that potential in the future. Since most Irish business is conducted in and around the capital city, Canadian firms pursuing opportunities in the UK should seriously consider a visit to Dublin. Canadian SMEs (small and medium-sized enterprises) will find that the relatively small size of Irish firms, compared with British firms, makes Ireland a highly compatible business partner.

Traditionally one of the poorest of all the member countries of the European Union (EU), Ireland is now the fastest-growing. The 'Celtic Tiger' has a gross domestic product (GDP) just below the EU average, and unemployment percentages are low. Within the last 10 years, Ireland's economy has grown by 76%. Other striking trends include the presence of all the major international software giants (Ireland is now the world's largest software exporter), the youngest age profile in Europe (70% of the population is under 45) and the recent reversal of a 150-year trend of out-migration. The results of this recent growth are not all positive. Crises are brewing, as both housing and transportation infrastructures are stretched to the limit, particularly around Dublin. Other sectors of the economy and other regions of the country (the west, the "border" counties near Northern Ireland, and the midlands) are still waiting for comparable levels of prosperity to come their way.

So what does this mean for Canadian companies looking for export opportunities? Canadians should remember that Ireland is still an SME economy, with only 50 companies in total employing 1,000 or more employees. While 80% of Irish businesses have 10 staff or less and there are 170,000 SMEs in Ireland, aiming your products and services at small SMEs is a good option. Irish firms, whether in the information technologies (IT) sector or in construction, are increasingly experiencing a lack of capacity to meet demand. Partnerships with foreign firms that speak English and have a similar approach to doing business, such as in Atlantic Canada, are therefore increasingly desirable. As the Irish economy moves its focus from manufacturing to primary research and development (R&D), biotechnology will play an ever-increasing role. As Canada has a strong tradition of research in this field, there is a potential here as well for new opportunities.

Another sign of the dynamism of the economy is the fact that nearly four million square feet of retail space appeared in Dublin in the last few years targeting a population where two in five people are under age 25 and have more money in their pockets than ever before. Retail spending on consumer goods is increasing at a rate of 25% per year. Finally, as Ireland prepares to enter the 'Eurozone' at the beginning of 2002, it is one of the ideal locations for expanding into other regional markets within the EU.

It should be noted that, on January 1, 2002, the new Euro currency, which is divided into "cents," will begin to be circulated in the Republic of Ireland. There will be a dual circulation period, during which the use of Irish notes and coins will decrease, and the use of Euro notes and coins will increase. The dual circulation period is slated to end at midnight Saturday, February 9, 2002, after which only Euro notes and coins will be used. For further information, consult the Web site of the Irish Department of Finance at **http://www.irlgov.ie/finance**