

IRELAND

A. THE MARKET

With a population of only 3.5 million, Ireland offers a modest market for towels by international or even EEC standards. Statistics show 37 per cent of the Irish population are under 20 years of age. There are 1.04 million households, with an average of 3.3 persons per household.

Basic production or market statistics are lacking, as are pointers relating to market segments, but it is estimated that domestic producers hold between 30 and 40 per cent of the home market. The mid to upper level of the Irish towel market is covered by British manufacturers, such as Courtaulds, Chortex, Chiltern and Country Image.

Portugal is now perceived as being capable of supplying a quality product: Kingsley, Sheridan and PiuBelle. Despite modest totals, Jalla, Yves St. Laurent of France and Vossen of Germany also supply the "top rung."

Fieldcrest of the US, with Irish investors, built a large towel plant in Ireland during the late 70's to service other EEC markets. At one point, it employed 750, but lost considerable money trying to channel production into new markets. Production ceased in the early mid-80's.

Fieldcrest still sells in Ireland as a result of their previous presence, but their presence is lower down the market.

In May, 1993, it was announced that one of Ireland's two towel manufacturers would cease production. Robert Usher & Co. Ltd. employed about 190, and was a subsidiary of Courtaulds UK.

Ushers exported substantial quantities to the U.K., but they do continue to operate a large Terry Division Britain which will take up any slack in both markets. The second manufacturer is Lissadell Towels which employs 150 with annual sales of about \$13 million. Their major product is 100 per cent cotton jacquard towels, with major exports to the Britain.

B. BUSINESS ENVIRONMENT

Recent written reports (1992) are not optimistic, but there is some confidence flat consumer spending will begin to rebound.

"When interest rates jumped by three per cent last October, the retail equivalent of a nuclear bomb went off in this country."

"According to veteran traders, the result was a dramatic and unprecedented loss in consumer