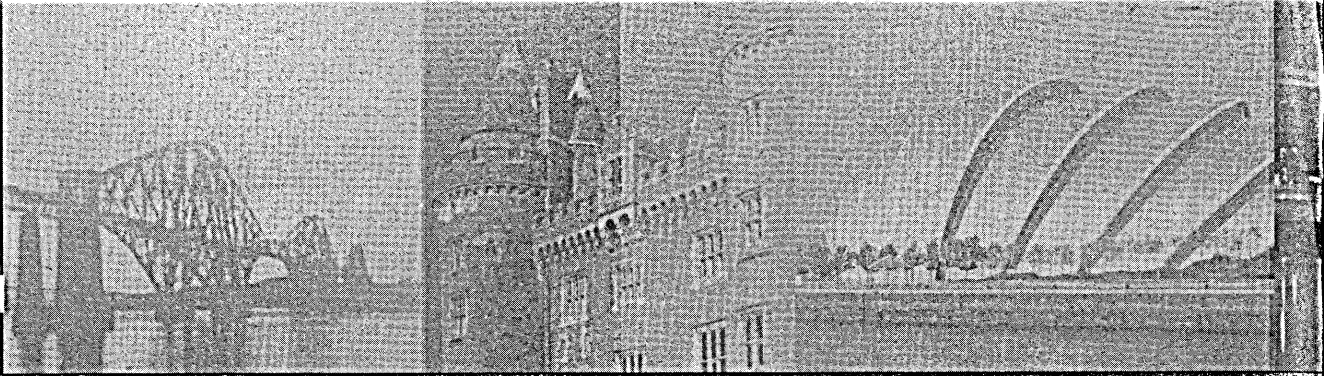




Ireland



## INFORMATION TECHNOLOGIES

### Market Overview

A number of Canadian firms have made the plunge into the Irish market. What did they do right, and what advice would they give other Canadian companies thinking of entering the IT market in Ireland? X-Wave's Chief Operations Officer, David Thornhill, says, "The Irish government's attempts to create an 'e-commerce hub' make it an attractive place to be, because it allows Canadian companies to be in a market where all the big players are and they can also become your clients. The key to Ireland is the fact that it has attracted a large number of established multinational businesses." This Newfoundland-based firm is one of Canada's fastest-growing IT companies, providing end-to-end e-business solutions for systems integration, software engineering and product fulfilment. With over 2,000 employees in North America, X-Wave officially launched its Ireland operation on February 28, 2001. The Irish and Newfoundland governments signed an agreement in 1996 to foster hi-tech co-operation, and this has opened doors and created goodwill for X-Wave. "For 18 months we were doing work for Irish clients such as Esat Telecom and the Dublin Institute of Technology, so when we were looking to expand into Europe, we saw that Ireland offered an economy with long-term prospects," says Thornhill. The Irish government's efforts toward a functioning 'e-government' within the next few years have also made it a good client for IT companies offering the right solutions. X-Wave itself was recently brought in by the Irish Department of Enterprise, Trade and Employment to develop its e-government strategy for the future. It was also responsible for developing an Internet-based management information reporting system (an electronic 'report card') for communication between

25 county enterprise boards and the central government. Partnering with Canadian firms provides valuable outsourcing opportunities for Irish IT firms of all sizes. "We recognize the skills shortage here and realized we have a larger pool of talent in Canada," says Thornhill.

There are effectively two streams in this sector. First, there are 140 multinational companies, employing some 15,500 and exporting product to the value of IR£4.5 billion. Within this grouping the "big" names include Microsoft, Oracle, SAP, Lotus, IBM, Symantec and Novell. Canadian companies here include Jetform, Eicon, Matrox, Xwave, GEAC, Centrinity, QC Data, and Saturn Solutions. Corel Corp., however, recently closed its Irish subsidiary. Second, there are also approximately 600 indigenous software companies, employing approximately 14,000, with a total revenue of IR£1 billion, of which 80% is generated by exports. The industry has tended to be product (rather than service) led, which has helped small companies to develop more rapidly and move into the global marketplace. Although the majority of companies are export-oriented, a proportion of the indigenous companies have successfully maintained their capability to develop custom software for the home market.

### Opportunities

The domestic software market is relatively modest, and is estimated at IR£400 million. Apart from popular packaged software, the segments offering most potential include exposure and response prevention (ERP), and customer-relationship-management (CRM) applications, Internet solutions, telecommunications software, computer-aided design (CAD), and educational and training products.

The Irish Software Association has a target of employing 40,000, as well as hoping to achieve exports of IR£10 billion by the end of 2002. However, the skills shortage is now constituting a barrier to growth. Programmers have been recruited from all over the world, and companies are also outsourcing to low-cost centres in south-east Asia.

Internet access is now available in some 97% of Irish companies with computers; 64% have intranets; 45% of companies with Internet access are now purchasing online; and 77% of companies have a Web site. As a result of the *Electronic Commerce Act 2000*, Ireland is one of the first countries to bring about legal recognition of e-business. It is expected that one in five retail purchases in Ireland will be made on the Internet by 2003.

The availability of adequate bandwidth has also been critical. The decision by Global Crossing and 360 networks of Canada to bring their Internet protocol-based networks to Ireland will provide substantial bandwidth to the rest of the world. In addition, there is over 1.2 million square feet of hosting space being developed, and the government is planning the extension of broadband and e-commerce infrastructure to less developed parts of the country.

### For further information, contact:

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 e-EXPO, May 2-3, 2001, Dublin:  
<http://www.techcentral.ie/2001>

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