

REPUBLIC OF IRELAND

Irish Economy

Ireland's impressive economic (GDP) growth rates, averaging 5 per cent over the period 1987-1994 and 6 per cent in 1994-95, have led to its being called the 'Celtic Tiger'.

A social partnership — engineered by government, labour and business — to slow wage-rate increases and ensure labour peace has succeeded in curbing inflation (2.5 per cent).

Ireland's membership in the European Union, combined with a well-educated English-speaking and relatively inexpensive labour force, have made Ireland a desirable place for foreign investment.

Offshore companies in recent years have invested more than three-quarters of a billion dollars annually in Ireland — a region that can be a bridgehead to the vast Continental market. As well, more than 1,000 overseas companies in Ireland (population 3.5 million) employ some 90,000 people. The upgrading of Ireland's infrastructure will accelerate with the injection, between 1994-1999, of £7.2 billion of EU funds into the Irish economy. Canada already has benefited from this funding through substantial contracts for Canadian firms.

Border Counties of the Republic of Ireland

The Irish border counties of Donegal, Sligo, Leitrim, Cavan, Monaghan and Louth will benefit particularly from peace in Northern Ireland and the subsequent planned government and private-sector investments.

Over 100 overseas companies, representing a wide variety of business sectors, already have bases in these counties. They employ 14,000 people directly and have found the region to be a successful and profitable location from which to operate and service European and other markets.

The region — with a population of over 400,000 people and a labour force of nearly 150,000 people — offers an excellent, high-quality work force with up to 4,000 young educated people entering the labour market each year.

The counties are well served by modern, regular, world-class Roll-On/Roll-Off and Lift-On/Lift-Off ports which are serviced by major highways, many of which form part of the Euroroute road network. Regular freight train services also are available to container ports.

Ireland's digital- and fibre-optic-based telecommunications network ensures that business has the best world-class standards in all aspects of telecommunications.

Canada-Ireland Trade and Investment

Trade between Canada and Ireland has averaged \$500 million over the last five years. In 1994, Canadian exports were valued at \$172 million against Irish imports of \$467 million. Over the past five years there has been a shift in Canadian exports from primary products towards information technology products, professional services, and higher value-added technology-based products. Major Canadian exports to Ireland include transportation equipment (locomotives), aluminum, telecommunications equipment, forest products, and computer components.

Canadian investment in Ireland is valued at \$3.2 billion, making Ireland Canada's fourth-largest destination for foreign investment. Irish investment in Canada is estimated at approximately \$500 million. Increasingly, Canadian companies are establishing their European base of operations in Ireland, where there are now more than 45 Canadian companies, up from 30 in 1990.

Ireland and Border Counties: Investment and Incentives

Ireland, already host to more than 1,000 overseas companies, offers unique competitive advantages for Canadian companies wishing to enter the European market. Overseas companies in Ireland account for one-third of the country's GNP and in excess of 70 per cent of Ireland's exports.

A stable, pro-business attitude at government level has created a favourable operating environment for industry.

Beneficial aspects of doing business in Ireland include:

- a young, English-speaking, well-educated work force;
- a 10-per cent corporate tax rate to the year 2010 and freedom to repatriate profits;
- a state-of-the-art digital telecommunications system;
- generous capital, employment, R&D and training grants;
- duty-free access to the EU market of 368 million consumers;
- average rate of return on U.S. manufacturing investment — at 25 per cent — is almost four times the EU and world averages;
- most major European cities are reached within two hours flying time; and
- a unique quality of life with superb sporting and leisure facilities.

International Financial Services Centre Companies

Dublin's IFSC companies are granted licences to operate in niche financial markets, including fund management, insurance, foreign currency transactions, corporate treasury management, and other narrowly defined areas.

Continued on page VIII — IFSC