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IRELAND

Key Economic Indicators

(Millions of U.S. Dollars unless otherwise indicated)

	1999	2000	2001 1/
Income, Production and Employment:			
Nominal GDP 2/	2,267.0	91,300	97,700
Real GDP Growth (pct) 3/	10.5	11.5	6.0
GDP by Sector: 4/			
Agriculture	3,627	3,360	N/A
Manufacturing	35,140	36,013	N/A
Services	45,568	45,858	N/A
Government	3,172	2,878	N/A
Per Capita GDP (US$)	424,067	23,652	25,310
Labor Force (000s)	1,711	1,732	1.779
Unemployment Rate (pct) 5/	5.6	4.1	3.7
Money and Prices (annual percentage growth):			
Money Supply Growth (M3E) 6/	N/A	N/A	N/A
Consumer Price Inflation (pct)	1.6	5.6	5.3
Exchange Rate (IP/US$ - annual average)			
Official	.74	.85	.92
Parallel	N/A	N/A	N/A
Balance of Payments and Trade:			
Total Exports FOB 7/	70,200	73,125	75,600
Exports to United States	10,894	13,131	7,488*
Total Imports CIF 7/	46,777	50,900	49,800
Imports from United States	7,733	8,288	4,564*
Trade Balance	23,423	22,225	15,899*
Balance with United States	3,161	8,750	2,923*
External Public Debt 8/	46,845	40,483	34,294
Exchequer Surplus/GDP (pct) 9/	1.7	3.1	2.6
Debt Service Payments/GDP (pct)	3.6	2.4	N/A
Gold and Foreign Exchange Reserves	5,693	6,794	N/A
Aid from United States 10/	5	8	8
Aid from All Other Sources 11/	1,322	2,197	N/A

* Total for January-June 2001.

1/ 2001 figures are estimates based on data available through June 2001.
2/ GDP at current market prices.
3/ GDP at constant market prices (local currency).
4/ GDP at constant factor cost.

5/ ILO definition.
6/ Broad money (from 1998 CBI discontinued publishing M3E).
7/ Merchandise trade.
8/ Total amount owed by Irish government at year ending December 31, 1999 and 2000 at the average yearly exchange rate. The figure for year 2001 represents the value of government debt on March 31, 2001.
9/ General government.
10/ In 2000, the United States contributed 19.6 million dollars to the International Fund for Ireland (IFI). A further 19.6 million dollars is committed for 2001. It is estimated that a quarter of this amount is spent in the Republic of Ireland's border counties.
11/ These figures include transfers from the EU's European Social fund, Regional Development Fund, Cohesion Fund and Special Program for Northern Ireland and the border counties, as well as the contributions from countries other than the United States to the IFI.

Sources: Central Bank of Ireland (CBI), Central Statistics Office (CSO), and National Treasury Management Agency (NTMA)

1. General Policy Framework

In 2001, the Irish economy continues to grow strongly, albeit at a slower rate than previous years. The unprecedented double-digit economic growth recorded in 1999 and 2000 has tapered off and signs of slowdown are apparent. Last year's significant expansion in output was driven by strong domestic demand and impressive external trade performance. The deceleration on growth, as witnessed in the first six months of 2001, reflects the impact of a slowdown in the U.S. and the European Union and the effects of animal health problems.

Most commentators trace the origins of Ireland's "Celtic Tiger" economy to the economic policy mix put in place in the late 1980s and maintained by successive governments since then. This included: (1) tight control of public spending in order to reduce government borrowing and taxation on corporate and personal incomes; (2) a de facto incomes policy, operated through national economic programs agreed by the government, employers, and trade unions, in order to limit wage growth and boost employment creation; (3) the ten (12.5 percent beginning in 2003) percent corporate tax rate for international manufacturing and service companies, together with generous grants to export-oriented multinational firms who locate in Ireland; and (4) high levels of investment in education, training and physical infrastructure, much of it funded by generous transfers from the European Union. In contrast to the economic policies of the 1970s and early 1980s, the policy mix in the last decade has centered on supply-side reforms to the economy, aimed at improving the attractiveness of Ireland as a location for overseas investment and increasing competitiveness of Irish-made goods in the international marketplace.

The results have been impressive. Real Irish GDP growth has averaged over eight percent since 1994, and real Irish incomes have increased by almost two-thirds since the beginning of the decade. Fast growth has been accompanied by increasing openness to the world economy. In 2000, total imports and exports were equivalent to over 140 percent of GDP, compared with under 100 percent a decade earlier. Thanks in large part to the strong performance of Irish-based U.S. and other multinational firms, Ireland now enjoys a huge surplus in merchandise trade (equivalent to 29 percent of GDP in 2000), which more than offsets trade deficits in services and factor incomes. Despite fast growth, inflation remained low for much of this period, averaging just two percent in 1994-97. Since late 1999, however, inflation has accelerated from year-on-year rates of 2 percent to a rate of 7 percent in November 2000, and slowed to 4.6 percent in August 2001. The weak value of the euro vis-a-vis the U.S. dollar, higher oil prices, increasing wage costs, rising disposable incomes, relatively low interest rates, lower taxes, fast employment, and strong growth in property prices have together resulted in these recent levels of high inflation.

Fiscal policy: After the runaway public deficits of the mid 1980s, the Irish government has since maintained a more prudent fiscal position. Fast economic growth, combined with limited growth in public spending, has kept Ireland's general government deficit below 2.5 percent of GDP since 1989. In recent years, Irish governments have enjoyed large general government surpluses. In 2000, the general government surplus was 3.6 percent of GDP and is expected to contract to 2.6 percent in 2001. This was consistent with the provisions of the 1992 Maastricht Treaty, which required EU member states to keep their fiscal deficits below three percent of GDP, and allowed Ireland to be confirmed in May 1998, along with ten other EU member states, as a starting participant in the final stage of economic and monetary union (EMU), which began in 1999.

In spring 2000, the European Commission censured Ireland for pursuing "an over expansionary fiscal policy." Tax cuts in four consecutive budgets, coupled with significant increases in the Government of Ireland's spending, prompted the Commission to issue a formal censure to Ireland. In the Commission's eyes, Ireland breached the European Union's Broad Economic Policy Guidelines, and it was obligated to either postpone future tax cuts or cut back on public spending.

Government surpluses, together with fast growth in national income, have reduced Ireland's Debt/GDP ratio from over 125 percent in 1987 to 39 percent at the end of 2000. The National Treasury Management Agency predicts a further decline in 2001 in the ratio of about eight percentage points and another five percentage points in 2002. In nominal terms, national debt at the end of 2000 amounted to just over 34.7 billion dollars. Of this, 5.5 percent was denominated in non euro currency. The burden of debt service costs on the economy and the taxpayer continued to fall in 2000. The ratio of interest payments to tax revenues declined by 2.5 percentage points, continuing the downward trend of the past several years. As a result, interest on the debt now absorbs some 7.6 percent of tax revenue compared to almost 28 percent in 1990.

Personal income and consumption taxes form the bulk of total government tax revenue. There are two personal tax rates, the standard 20 percent rate and the higher 42 per cent rate. The higher rate kicks in at slightly below the median industrial wage (about 23,000 dollars). In a bid to secure continued trade union commitment to modest nominal wage increases and to make entry level jobs more attractive to the long-term unemployed and non traditional participants in the Irish workforce (older citizens and mothers), the current government lowered personal tax rates and introduced a tax credit system. The rate of Value Added Tax (VAT), a consumption tax, at 20 percent, is high by European standards. VAT rates in EU Members States, including Ireland, can be raised, but not lowered, without EU approval.

The standard rate of corporate tax is 20 percent. Corporate taxation, however, makes a relatively modest contribution to public finances, and few U.S.-owned businesses pay this rate because of the special ten percent rate available to companies producing internationally-traded manufactured goods and services, and to companies operating in certain industrial zones. Most Irish-based, U.S.-owned businesses pay corporate tax at the special ten percent rate. In response to European Commission criticism that the special rate of corporate tax constituted a subsidy to industry, the government committed to harmonize the special and standard rates to one single rate of 12.5 percent by 2003, thereby eliminating the differential treatment. In the interim, corporate taxes will fall from rates of 20 percent in 2001 to 16 percent in 2002 and finally to 12.5 percent in 2003.

Monetary policy: Beginning in 1999, monetary policy in Ireland, as in the other eleven EU states adopting the single European currency, is formulated by the European Central Bank (ECB) in Frankfurt. The Irish Central Bank will continue to exist as a constituent member of the European System of Central Banks (ESCB) and will be responsible for implementing a common European monetary policy in Ireland (i.e. providing and withdrawing liquidity from the Irish inter-bank market at an interest rate set by the ECB). The governor of the Irish Central Bank (currently Maurice O'Connell) will, ex officio, have one vote in the ECB's 17-member monetary policy committee, although each national central bank governor in the committee will be expected to disregard the individual performances of their own national economies in formulating a common monetary policy for the euro area. The 1992 Maastricht treaty identifies price stability as the primary objective of monetary policy under EMU. Price stability is defined by the ECB as a year-on-year increase in the harmonized index of consumer prices for the euro area of below two percent. In making its assessment of future consumer price movements, the ECB will consider trends in money supply, private sector credit, and a range of intermediate price indicators. The primary instrument of monetary policy is expected to be open market operations by the ECB and the national central banks (purchases and repurchases of government securities at a discount rate announced weekly).

2. Exchange Rate Policies

On January 1, 1999, the Irish pound ceased to exist as Ireland's national currency, and the new single European currency, the euro, became the official unit of exchange. Although Irish currency continues to circulate until the introduction of euro notes and coins in January 2002, it acts as a "denomination" of the euro, with an irrevocably fixed exchange rate to the euro and the eleven other participating currencies. The conversion rate between the Irish pound and the euro was fixed at the rate of one euro to Irish pounds 0.787564.

The euro is freely convertible for both capital and current account transactions. The Maastricht Treaty makes exchange rate policy for the euro the responsibility of EU finance ministers, subject to the proviso that exchange rate policy does not threaten price stability in the euro area. Ireland is unique among all other euro members in that its largest trading partner, the UK, remains, for the near future, outside the single euro currency. Ireland's loss of control over its exchange rate with UK sterling poses risks to Irish industry dependent on UK suppliers. The current weak value of the euro vis-à-vis sterling places pressure on Irish importers to increase the flexibility of their cost base. Conversely, the weak euro has helped Irish producers to increase export flows to the UK and U.S. The fear at present is that the euro will appreciate against sterling and the dollar making Irish exports relatively expensive and uncompetitive. The Irish pound averaged $1.17 against the dollar in 2000 (IP 1.0 = $ 1.35), and is expected to average in the region of $1.15 (IP 1.0 = 1.15) in 2001.

3. Structural Policies

Economic policy in Ireland is geared primarily towards maintaining low unemployment and raising average living standards, although income redistribution, social cohesion and regional development are also important goals. After the failure of expansionary fiscal policies in the late 1970s to stimulate growth, government policy makers focused on supply-side measures aimed at creating an environment attractive to private enterprise and in particular to inward direct investment by export-oriented multinationals. The most important policies in this regard have been:

(a) Tight control over the public finances in order to maintain macroeconomic stability. In 1997, Ireland recorded its first general government surplus in over 50 years;

(b) The development of a social consensus on economic policy through national wage agreements negotiated by the government, employers, and trade unions. The latest agreement, the Program for Prosperity and Fairness, took effect at the beginning of April 2000 and trades off continued wage/pay moderation by trade unions in return for substantial cuts in personal taxation;

(c) The promotion of greater competition and liberalization in the economy, and reducing the number of state-owned industries, particularly in the provision of transport, energy and communications services;

(d) The availability of a special ten percent rate of corporate taxation and generous grants to attract foreign investment, which rises to 12.5 percent from 2003 onwards;

(e) a commitment to the single European market and to Irish participation in EMU;

(f) High levels of investment in education and training (of all OECD countries, only the Japanese workforce has a higher proportion of trained engineers and scientists); and

(g) Improvements in physical infrastructure (in all areas from roads to environmental systems to housing stock, details of which are contained in the National Development Plan 2000-2006). Structural investment between 2000-2006 is expected to total around 48 billion dollars. Much of this will be funded by Irish tax payers as opposed to previous national development plans, which were funded by generous EU transfers.

The success of the above policies in attracting foreign investors and raising incomes has had two distinct effects on U.S. exports to Ireland. First, over 580 U.S. firms are now located in Ireland. These companies import a large proportion of their capital equipment and operating inputs from parent companies and other suppliers in the United States. Accordingly, the largest component of U.S. exports to Ireland is office machinery and equipment, followed by electrical machinery and organic chemicals. Second, the fast growth in both personal incomes and corporate profitability in Ireland has led to a strong increase in demand for U.S. capital and consumer goods from Irish companies and workers. The combination of the above two effects has seen U.S. exports to Ireland increase by a factor of five between 1983 to 2000. As a result, the United States has become Ireland's second largest trading partner, behind only the UK.

4. Debt Management Policies

The National Treasury Management Agency (NTMA) is the state agency responsible for the management of government debt. Ireland's General Government Debt at the end 2000 amounted to just over 40.5 billion dollars (using average 2000 exchange rates), equivalent to just over 31 percent of GDP. By end 2000, Ireland's comparative indebtedness was the second lowest among the 15 EU Member States. The bulk of the national debt was accumulated in the 1970's and early 1980's, partly as a result of high oil prices, but more generally as a result of expanding social welfare programs and public-sector employment. However, because of increased fiscal rectitude since the late 1980s, Ireland is the only EU Member State to have a lower Debt/GDP ratio in 1997 than it had in 1991.

While the absolute level of debt has remained within a relatively narrow range over recent years, the ratio of Debt to GDP has declined sharply because of the very strong growth of the Irish economy. Reported 2000 debt service expenditure was 2,579 million dollars, some 43 million dollars below the budget of 2,622 million dollars.

The burden of debt service costs on the economy and the taxpayer continued to fall in 2000. The ratio of interest payments to tax revenues declined by 2.5 percentage points, continuing the downward trend of the past several years. As a result, interest on the debt now absorbs approximately 7.6 percent of tax revenue compared to almost 30 percent in 1990. Debt servicing costs are expected to continue to fall significantly as a proportion of national income and total government expenditure in the coming years, reflecting moderate interest rates, falling nominal debt levels and sustainable Irish income growth. This should pave the way for further reform of the personal taxation system, resulting in lower personal income tax levels and thus increasing consumer demand for U.S. exports of goods and services.

5. Significant Barriers to U.S. Exports

The United States is Ireland's second largest source of imports, behind only the UK. Total exports from the United States into Ireland in 2000 were valued at 8.4 billion dollars (17 percent of total imports), up from just over three billion dollars in 1990. Irish exports to the United States have increased at an even faster rate over the same period. Irish exports to the U.S. in 2000 standing at 13.1 billion dollars resulting in a 4.7 billion dollars trade surplus for Ireland. Ireland has been running a trade surplus with the United States since 1997.

The United States is the second largest exporter of goods to Ireland. The UK is the only country to outstrip the U.S. in the terms of value of merchandise products exported to Ireland. There are several significant barriers to trade of importance to potential U.S. exporters, particularly with regard to trade in services. Specifically, Ireland maintains some barriers in the aviation industry. Airlines serving Ireland may provide their own ground handling services, but are prohibited from providing similar services to other airlines. Under the agreement, any carrier of passengers or cargo providing North Atlantic services to Dublin airport must also provide service to Shannon airport on Ireland's west coast. In addition, under the bi-lateral U.S.-Ireland civil aviation agreement, the "Shannon stopover" requirement adds unnecessary costs to both U.S. air carriers and U.S. exporters.

Ireland's markets for electricity and gas are being liberalized in accordance with EU energy directives. Ireland has opened 33-40 percent of its electricity market to competition, in accordance with EU guidelines. This development has sparked significant interest among electricity suppliers, both domestic and foreign, in the Irish electricity market. However, the provision of electricity in Ireland is relatively costly for suppliers owing to low demographic density in areas outside the major urban centers. The experience of private sector investors in the Irish energy market has been mixed. Suppliers of electricity have fared better than those in the gas sector.

The market for telecommunications services in Ireland was fully liberalized in December 1998: more than one year ahead of the original timetable agreed to with the European Commission in 1996. Prior to liberalization, the state-owned telecommunications company, Telecom Eireann, was the monopoly provider of voice telephony services to the general public. The market for leased lines and other data transmission services was progressively liberalized earlier in the 1990s. Telecom Eireann was publicly floated on the Dublin and New York stock exchanges in May 1999, under its new name “Eircom.” As part of privatization, Eircom sold off the state-owned cable network, “Cablelink” to “Ntl,” an Anglo-U.S. firm, which is presently launching a raft of telecommunications services ranging from an extension of the cable network to the provision of next generation internet facilities.

There are three licensed mobile telephony network providers. These include Eircell (formerly a subsidiary of Eircom and now owned by a UK-based Vodafone), Esat-Digiphone and Meteor (U.S. consortium). A competitive market environment is emerging in Ireland in both land based and mobile telecoms networks. The EU’s telecom ministers decision of October 2000 agreed to a series of “local loop unbundling rules.” As a result, access to the last mile of telephone lines was liberalized in Ireland January 1, 2001. The Office of the Director of Telecommunications has set a tariff for the “last mile,” which is presently being challenged by Eircom in the Irish courts.

Although some liberalization has taken place in recent years, Ireland still maintains some of the strictest animal and plant health import restrictions in the EU. These, together with EU import duties, effectively exclude many meat-based foods, fresh vegetables, and other agricultural exports from the United States. Restrictions also apply to certain foods containing genetically modified organisms (GMOs), bananas from outside the Caribbean area, cosmetics containing specified risk materials (SRMs), and some wines, although as with other goods, the above restrictions are determined at EU level.

Ireland has been a member of the World Trade Organization (WTO) since January 1, 1995. The WTO agreement was ratified by the Irish parliament in November 1994. As a member of the EU, however, Ireland participates in a large number of EU regional trade agreements, which may distort trade away from countries with whom Ireland trades purely on an MFN, non-preferential WTO basis.

6. Export Subsidy Policies

The government generally does not provide direct or indirect support for local exports. However, companies located in designated industrial zones, namely the Shannon Duty Free Processing Zone (SDFPZ) and Ringaskiddy Port, receive exemptions from taxes and duties on imported inputs used in the manufacture of goods destined for non-EU countries. Furthermore, Ireland applies a special ten percent rate of corporation tax (the standard rate is 20 percent) to companies producing manufactured goods and services for export to companies operating out of the SDFPZ and the International Financial Services Center (IFSC) in Dublin. Under pressure from the European Commission, which viewed the special tax as a subsidy to industry, the Irish government is now committed to eliminating the special rate by harmonizing at 12.5 percent by 2003.

In May 1998, the United States instituted WTO dispute settlement consultations with Ireland in relation to Ireland's "special trading house" tax regime. Under section 39 of the Irish Finance Act 1980, the ten percent rate of corporation tax is available to "special trading houses," which are companies that act as an access mechanism and marketing agent for Irish-manufactured products in foreign markets. Following the U.S. action, the Irish government announced in June 1998 its intention to seek parliamentary approval for the termination of the scheme "at the earliest opportunity." Trading houses already licensed under the scheme continued to receive the tax break until December 31, 2000, when the scheme expired under existing EU directives.

Other activities that qualify for the special ten percent rate of corporate taxation include design and planning services rendered in Ireland in connection with specified engineering works outside the European Union. This applies mainly to services provided by engineers, architects, and quantity surveyors. Profits from the provision of identical services in connection with works inside the EU are taxed at the standard 20 percent rate.

Since January 1992, the government has provided export credit insurance for political risk and medium-term commercial risk in accordance with OECD guidelines. As a participant in the EU's Common Agricultural Policy (CAP), the Irish Department of Agriculture, Food and Rural Development administers CAP Export Refund and other subsidy programs on behalf of the EU Commission.

7. Protection of U.S. Intellectual Property

Ireland is a member of the World Intellectual Property Organization and a party to the International Convention for the Protection of Intellectual Property. In July 2000, Irish President McAleese signed new legislation that brought Irish Intellectual Property Rights (IPR) law into compliance with Ireland's obligations under the WTO Trade-related Intellectual Property Treaty (TRIPs). Following final administrative preparations required under the new law, the legislation came into force in early fall 2000 and gives Ireland one of the most comprehensive systems of IPR protection in Europe.

The new Irish legislation is a wholesale reform of previous Irish IPR law. Among its many provisions, this new legislation specifically addresses several TRIPs inconsistencies in Irish copyright, patent and trademark legislation, which had been of concern to foreign investors, including the absence of a rental right for sound recordings, the lack of an "anti-bootlegging" provision, and low criminal penalties which failed to deter piracy. The new legislation should, by improving enforcement and penalties on both the civil and criminal sides, help reduce the high levels of software and video piracy in Ireland (industry sources estimated that in 2000, approximately 50 percent of PC software used in Ireland was pirated).

As part of this new comprehensive copyright legislation, changes were also made to revise the non-TRIPs conforming sections of Irish patent law. Specifically, the new IPR legislation addresses two concerns of many foreign investors about the previous legislation. One, the compulsory patent licensing provisions of the previous 1992 patent law were inconsistent with the "working" requirement prohibition of TRIPs articles 27.1 and the general compulsory licensing provisions of article 31. Two, applications processed after December 20, 1991, did not conform to the non-discrimination requirement of TRIPs article 27.1.

In light of Irish government progress in passing new IPR legislation, USTR suspended WTO dispute settlements proceeding against Ireland and removed Ireland from the “watchlist” in its latest annual special 301 review of intellectual property protection by U.S. trading partners.

Ireland offers exceptional trade and business opportunities in the technological services sector, particularly for e-commerce and other internet related businesses. The Irish government has put into place, ahead of many of its fellow EU Member States, flexible, market driven legal and regulatory regimes on key issues such as electronic signatures, consumer and data protection, encryption policy, and intellectual property protection for internet based industries. The government, as part of its goal of making Ireland a transatlantic e-commerce hub, has aggressively invested in broad bandwidth throughout the country. Irish officials are also proactively supporting Irish private and public involvement in development of the “next generation internet.” The recently announced “Technology Foresight Fund,” an Irish government program to fund basic scientific research projects with potential for commercial development, will focus on computers and internet related research, as one of its priorities. There are no major trade barriers to exports or investment in e-commerce or internet related sectors.

Opportunities in the biotechnology sector also exist. An initial government sponsored “Consultation Paper” on biotechnology development, released in 1999, strongly argued for increased government support for all areas of biotechnology research, development, and commercialization. Irish policies in the planting and consumer sale of genetically modified (GM) crops and food products are still evolving and there are some restrictions on importation of GM seeds and foods, in accordance with existing EU directives. Research involving GM crops and products is being conducted in Ireland after approval from the Irish environmental ministry.

Ireland is a growing center for biomedical research and the Irish government has identified it as a priority sector for development. Both Irish and U.S. biomedical firms are active in Ireland. There are no significant barriers to either the export of biomedical products or foreign direct investment in the biomedical sector.

8. Worker Rights

a. *The Right of Association:* The right to join a union is guaranteed by law, as is the right to refrain from joining. The Industrial Relations Act of 1990 prohibits retribution against strikers and union leaders. About 55 percent of workers in the public sector and 45 percent in the private sector are trade union members. Police and military personnel are prohibited from joining unions or striking, but they may form associations to represent them in matters of pay, working conditions, and general welfare. The right to strike is freely exercised in both the public and private sectors. The Irish Congress of Trade Unions (ICTU), which represents unions in both the Republic and Northern Ireland, has 64 member-unions with 734,842 members.

b. *The Right to Organize and Bargain Collectively:* Labor unions have full freedom to organize and to engage in free collective bargaining. Legislation prohibits antiunion discrimination. In recent years, most terms and conditions of employment in Ireland have been determined through collective bargaining in the context of a national economic pact. The current partnership agreement, the Program for Prosperity and Fairness, trades off moderation by trade unions in wage demands in return for cuts in personal taxation by the government. Employer interests in labor matters, and during the negotiations of these national partnership agreements, are represented by the Irish Business and Employers Confederation (IBEC). Foreign-owned businesses participate in IBEC at all levels. The Labor Relations Commission, established by the Industrial Relations Act of 1990, provides advice and conciliation services in industrial disputes. The Commission may refer unresolved disputes to the Labor Court. The Labor Court, consisting of an employer representative, a trade union representative, and an independent chairman, may investigate labor disputes, recommend the terms of settlement, engage in conciliation and arbitration, and set up joint committees to regulate conditions of employment and minimum rates of pay for workers in a given trade or industry.

c. *Prohibition of Forced or Compulsory Labor*: Forced or compulsory labor is prohibited by law and does not exist in Ireland.

d. *Minimum Age of Employment of Children*: New legislation introduced in 1997 prohibits the full-time employment of children under the age of 16, although employers may hire 14 or 15 year olds for light work on school holidays, or on a part-time basis during the school year. The law also limits the number of hours which children under age 18 may work. These provisions are enforced effectively by the Irish Department of Enterprise, Trade and Employment.

e. *Acceptable Conditions of Work*: After persistent lobbying by trade unions, the Irish government announced in April 1998 proposals for the introduction of a national hourly minimum wage of Irish pounds 4.40 (around 5.30 dollars), which came into effect in April 2000. The national minimum wage was increased in July 2001 to Irish pounds 4.70.

The standard workweek is 39 hours. In May 1997, a European Commission directive on working time was transposed into Irish law, through "the Organization of Working Time Act, 1997." The Act set a maximum of 48 working hours per week, requires that workers be given breaks after they work certain periods of time, imposes limits to shift working, and mandates four weeks annual leave for all employees. Worker rights legislation increasingly is being set by the European Commission, and further Directives in this area, including rights for part-time workers and the right of equal treatment, can be expected in coming years.

f. *Rights in Sectors with U.S. Investment:* The worker rights described above are applicable to all sectors of the economy, including those with significant U.S. investment.

Extent of U.S. Investment in Selected Industries -- U.S. Direct Investment Position Abroad on an Historical Cost Basis -- 2000

(Millions of U.S. Dollars)

Category	Amount

Petroleum		667
Total Manufacturing		9,874
Food & Kindred Products	(D)	
Chemicals & Allied Products	3,753	
Primary & Fabricated Metals	192	
Industrial Machinery and Equipment	460	
Electric & Electronic Equipment	1,433	
Transportation Equipment	32	
Other Manufacturing	(D)	
Wholesale Trade		620
Banking		-50
Finance/Insurance/Real Estate		12,668
Services		9,277
Other Industries		313
TOTAL ALL INDUSTRIES		33,369

(D) Suppressed to avoid disclosing data of individual companies.
Source: U.S. Department of Commerce, Bureau of Economic Analysis.