U.S. Department of State
FY 2001 Country Commercial Guide: Ireland

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CHAPTER I

EXECUTIVE SUMMARY

This Country Commercial Guide (CCG) presents a comprehensive look at Ireland's commercial environment, using economic, political, and market analysis. The CCGs were established by recommendation of the Trade Promotion Coordinating Committee (TPCC), a multi-agency task force, to consolidate various reporting documents prepared for the U.S. business community. Country Commercial Guides are prepared annually at U.S. Embassies through the combined efforts of several U.S. government agencies.

The United States and Ireland enjoy longstanding political, economic and commercial relations and a close cultural affinity. The commercial environment in Ireland is thus highly conducive for U.S. companies interested in trade, investment and a myriad of joint ventures/strategic partnerships.

While the domestic Irish market is small, a population of 3.78 million, U.S. firms have been looking beyond Ireland as a gateway to the larger U.K. and Continental European markets. Over 560 U.S. firms utilize Ireland and its attractive package of fiscal incentives and other advantages to access and develop increased market shares in the lucrative Western and emerging Central and Eastern European marketplaces.

U.S. firms should explore the possibility of locating an Irish representative who possesses knowledge of EU regulations and European distribution channels in order to introduce their products and services to the broader EU marketplace. U.S. firms interested in developing an international marketing strategy that involves direct investment, agent/distributor relationships, licensing, franchising, transfers of technology, or other joint venture/strategic partnerships, should evaluate the suitability of establishing a base of operations in Ireland.

All U.S. firms, vending goods and services of U.S. origin, and interested in exporting to, and/or establishing operations in, Ireland are urged to contact the Commercial Service at the U.S. Embassy in Dublin for counseling and advice on doing business in Ireland.

The Irish economy is growing strongly and is the fastest growing economy in the EU and OECD. The past five years have witnessed real economic growth of 5-10 percent annually. In 1999, the Irish economy achieved real GDP growth of 10.5% and the outlook for 2000 and future years is very positive with growth rates of 6.5%-8.5% forecast. A recent OECD report has forecast that Ireland also will have the highest rate of employment growth in the industrialized world over the coming years. Unemployment is now below the European average and annual inflation was 2.2 percent in 1998.

The FY'2001 Country Commercial Guide (CCG) for Ireland highlights the market opportunities for U.S. firms in 15 non-agricultural goods and services sectors, and three agricultural products sectors. In addition, major investment opportunities within Ireland are identified.

The CCG is an invaluable guide for motivated U.S. firms, of any size, seeking to achieve business objectives throughout the 26-county Republic of Ireland. The Commercial Service in Dublin maintains close cooperation with its colleague staffs in London and Belfast to facilitate two-stop and three-stop (Ireland/Northern Ireland/other U.K.) trade events and other coordinated activities between the Republic of Ireland, Northern Ireland and Great Britain. It contains overviews of the economic and political environments, together with important information on marketing U.S. products and services; guidance on trade regulations and standards; an assessment of the investment climate; an overview of trade and project financing, and invaluable information on business travel. In summary, it is a key document for any U.S. business executive whose company is considering "Doing Business in Ireland."

Country Commercial Guides are available for U.S. exporters from the National Trade Data Bank's CD-ROM or via the Internet. Please contact STAT-USA at 1800-STAT-USA for more information. Country Commercial Guides can be accessed via the World Wide Web at http://www.usatrade.gov; http://www.stat-usa.gov; http://www.state.gov/; and http://www.mac.doc.gov. They can also be ordered in hard copy or on diskette from the National Technical Information Service (NTIS) at 1-800-553-NTIS. U.S. exporters seeking general export information/assistance and country-specific commercial information should contact the U.S. Department of Commerce, Trade Information Center by phone at 1-800-USA-TRAD(E) or by fax at (202) 482-4473.

CHAPTER II

ECONOMIC TRENDS AND OUTLOOK

Major Trends and Outlook

The "Celtic Tiger" has the fastest growing economy among the world's industrialized nations, outpacing all other OECD members with an estimated 10.5 percent growth in gross domestic product (GDP) in 1999 and 8.0 percent GDP growth in 1998. This dramatic economic growth has pushed Ireland into second place in the EU in terms of per capita income. Irish per capita GDP in 1999 equaled $24,818, an increase of nearly $2,000 from 1998 and forecasts for 2000 estimate that GDP per capita will reach an all time high of $26,314. Analysts of Irish economic growth tend to aver to Gross National Product (GNP) as the true measure of economic growth. Ireland is quite unique, in so far as it has a high concentration of large multi-national corporations operating in the country, whose profits are added to the figure for GDP. Consequently, the figure given for GDP is inflated, as many of these firms repatriate profits to their headquarters abroad, be it in the U.S., Europe or further afield . In 1999 the estimated GNP for Ireland is IP 67 billion or $82 billion and on a per capita basis this equates to $21,889.

In 2000, the economy will continue to prosper. The Irish Department of Finance projects strong economic growth in fixed investment throughout 2000 supported by high levels of business confidence and low interest rates. Consumer spending is forecast to increase by 6.6 percent in 2000, and buoyant tax revenues have created a substantial overall exchequer surplus for the first six months of the year. The 2000 general government balance (GGB) is expected to be in surplus. Furthermore, the ratio of Ireland's foreign debt to GDP continues to fall. The debt/GDP ratio is forecast to decline to around 45 percent by the end of 2000. Foreign direct investment (FDI) has steadily increased through out the 1990s and is expected to continue apace into 2000. FDI grew to IP 13.5 billion ($18.2 billion) in 1999 from a figure of IP 6.0 billion ($8.1 billion) in 1998.

After almost five consecutive years of rapid economic growth without serious inflationary pressure, Ireland's inflation rate began to spike upwards in the last quarter of 1999. The inflation rate for the year 1999 averaged 1.6 percent, but the rate has risen steeply in the first quarter of 2000. Inflation averaged 4.6 percent in the three months to April 2000, compared with 3.2 percent in the previous three months and 1.5 percent during the same period last year.

As of January 1 2000, Ireland is a full member of the EURO-Zone and the Irish Pound was irrevocably fixed at a rate of IP 1.2124 against the EURO (1 EURO is worth IP 0.787564). The EURO has fallen in value against the dollar and sterling since its launch in January. As a result Irish exports are relatively cheap when sold in U.S. and U.K markets, and U.S. imports into Ireland are relatively more expensive. As a member of the EURO-zone, the Irish Central Bank has almost no control over Irish interest lending rates, which remain low for an economy entering the fifth year of an economic expansion Interest rates in the EURO-Zone are forecast to reach 5.25 percent in mid 2001, which compares to an estimate of 7.0 percent for the U.S. for the same period.

Unemployment has fallen sharply in recent years. Unemployment averaged 8.5 percent in February 1998, falling to 5.1 percent by the same period in 1999. The rate of unemployment has continued to decline and is expected to be below 4 percent for the year 2000. The fourth quarter labor force figures for 1999 indicate that there are a total of 1,736,100 persons in the Irish labor force, of which 1,647,400 are in employment and 88,700 are unemployed. The long-term unemployed represent about 40 percent of the total of those without jobs.

It is not just economic good luck that turned the Irish economy into a "Celtic Tiger." Factors such as tough cuts in government spending dating from the late 1980s, made as part of the series of "National Wage Partnership Programs" negotiated between the Government and the private sector and which ushered in a period of cooperative industrial relations, as well as reductions in taxation rates and targeted Irish Government programs to attract foreign direct investment in key economic sectors such as computers, financial services, and pharmaceuticals all contributed to the economic growth Ireland has enjoyed since the early 1990s. In addition, European Union (EU) funds, received since Ireland's 1973 EU accession, assisted Irish governments in making needed structural planning reforms, as well as improving Ireland's infrastructure in key sectors.

Ireland's economic success shows no signs of waning in the near term -- growth rates, unemployment declines, government debt ratios, and consumer confidence all remain positive. There are, however, threatening clouds on the horizon that will need to be watched, if the Irish Government's goal of negotiating a "soft landing" for the Irish economy -- annual growth rates of 3-4 percent -- is not to turn into a "harder landing" or actual retrenchment.

The most threatening storm cloud is inflation and fears it may soar so high as to spark a wage-price spiral similar to that experienced in Ireland in the early 1980s. Irish economists and Government officials are mixed on whether the spike is a short-term reaction to external factors -- such as oil price increases, recent tax increases on items like cigarettes, and the strong pound which makes imported goods from Ireland's largest trading partner, the UK, more expensive -- or is the start of a longer trend, fed in part by labor shortages and serious capacity constraints, which will significantly slow down the Irish economy and spark a wage price spiral.

Whatever the fundamental causes, the higher inflation rate is already producing cracks in the seams of the most recent national wage agreement, "The Program for Prosperity and Fairness," agreed to by government, business, and labor in April 2000. Irish labor unions argue that the wage increases negotiated as part of the agreement are being eroded by the rising rate of inflation and are demanding that the Government take action to reduce inflation or reopen the wage rates agreed upon in the national wage program (see Chapter III, "Ireland's National Partnership Programs" for further background). If the partnership agreement unravels, and inflationary pressures continue, there is a risk that the subsequent rise in wage rates will hurt Ireland's international competitiveness and, ultimately, spark an economic slowdown in the export sector of the economy. The immediate indication, at the mid-point of 2000, however, is that Irish economic growth, job growth, and consumer spending remain strong and show no signs of weakening.

Related to the inflation worry, are the growing job shortages in Ireland. Many commentators suggest that Ireland is nearing "full employment." Certainly skill shortages are now apparent, especially in fast-growth sectors as information technology and other sectors dependent on seasonal, low-skilled staffs such as tourism and construction. The national training agency, FAS, is actively recruiting overseas in an attempt to add to a stretched labor force. Successful efforts are also being made to boost the numbers of women, particularly older women, participating in the labor force. The pool of talented, English-speaking workers has been a prime attraction for the foreign investors and multinationals who have been fueling much of the economic growth of the last decade. An end to that pool may spark a decline in additional foreign investment in the coming years, leading to slower national growth rates. Many economists, however, argue that such an outcome is to be expected and not, by itself, necessarily a drag on the Irish economy, especially if Irish wage rates rise in response, keeping consumer spending high.

Principal Growth Sectors

(A) Manufacturing

The manufacturing sector in Ireland provides employment for approximately 20 percent of the Irish working population. Manufacturing output in the first half of 1999 slowed considerably in comparison to 1997 and 1998. Real output growth was 8.2 percent for the first half of the year, as compared to 13.4 percent for the same period of 1998, but expectations are that this figure will prove to have risen in the second half of 1999 and average 9.6 percent for the year. Primarily foreign-owned enterprises in the high-technology sector (especially computer and pharmaceutical concerns) were responsible for manufacturing sector growth in 1999. Most commentators project a deceleration in the rate of growth of manufacturing during 2000. The tight labor market is expected to constrain growth further in 2001.

(B) Services

Ireland has a small but rapidly growing services sector. In 1995, the sector represented 58 percent of total employment, by mid-1999 service sector employment had grown to just over one million or 63 percent of the total workforce. The private sector accounts for 71 percent of all service jobs, with the remainder, 29 percent, in public service employment. Output from the services sector is estimated to have risen in volume terms by 8.5 percent in 1999, given an average employment growth of 7 percent.

While the sector in Ireland has grown rapidly in recent years there is significant opportunity for further growth. Recent technological changes are enabling the development of the sector. The growth of the Internet has created opportunities for a wide range of new applications and services, and for the globalization of existing businesses. Advances in digital and mobile technologies are fueling development and growth in the content sector. And the Irish Government's aggressive rollout of high bandwidth telecommunications provides a necessary infrastructure for knowledge-intensive industry. A recent Irish Government strategy report on services industries highlighted that the internationally traded services segment offers the greatest opportunity for job and export growth.

In 1999, the internationally traded services sector in Ireland generated annual sales of $1.3 billion, of which 62 percent ($800 million) is exported. In the balance of payments, the deficit in services widened, by approximately 26 percent. While the net tourism and travel surplus rose substantially, the net outflow on royalties and licenses and other services (a reflection of the strength of activity by the multinational sector) was substantial, bringing the services deficit to IP 8.9 billion ($12 billion). The overall services deficit is expected to further widen in 2000.

(C) Agriculture

The value of agricultural output is estimated to have fallen by one percent in 1999, though this masked some quite contrasting individual sectoral performances, such as strong growth in milk and cereals compared to lower output in the cattle and pig sectors. There was also a sharp (11 percent) decline in subsidy payments in 1999 as a result of some forward payments of 1999 subsidies during the calendar year 1998 to alleviate hardship caused by poor weather conditions during 1998. As a result agricultural incomes are estimated to have declined by 12.3 percent in nominal terms in 1999. Farm incomes are expected to recover somewhat in 2000 and 2001 mainly due to a recovery in cattle and beef prices caused by lower output as well as a general increase in cattle and beef prices. Milk production is also expected to expand as a result of increased quotas following the Agenda 2000 reforms.

Government's Role in the Economy

Over the past decade broad political support has developed for reducing the Irish Government's role in the economy. This represents a significant change from early economic policy in Ireland, which, for most of modern Ireland's existence, was premised on the need for the government to protect national industries through tariffs and subsidies, as well as have the primary role in key sectors of the economy in areas like energy, communications, and transportation.

Today, the Irish Government's direct role in the economy is sharply reduced and limited to the state's remaining ownership of certain key industries, for example, the state-owned airline Aer Lingus, the state-owned electricity distributor ESB, and Bord Gas, the state-owned natural-gas distributor, all of which the Government intends to privatize in the next few years. As the Government moves to privatize these industries and introduce greater competition into the energy and transportation sectors, it has created, pursuant to legislative mandates, state-appointed authorities to regulate these sectors and ensure protection of the "public interest." Embassy estimate of the share of GDP, which is state-owned or produced, is less than 3.5 percent and declining.

For the past decade, the Irish Government has pursued a cautious fiscal policy designed to bring Ireland into conformity with the criteria for Economic and Monetary Union prescribed in the Maastricht Treaty on European Union. By lowering the annual budget deficit and the overall level of national debt, Government policy created a macro-economic climate favorable to direct foreign investment and private sector growth. This has been facilitated through social partnership agreements between the government, labor and employers, which have held down wage costs. The most recent centralized wage agreement, "Program for Prosperity and Fairness", was concluded by representatives of government, labor unions, employers and farmers in April 2000 (see Chapter III, "Ireland's National Partnership Programs").

Like the UK, Ireland's labor market generally is thought to be more flexible than that of its EU colleagues. Nonetheless, Ireland has supported the development of a social framework for its economy in accordance with European standards, and in comparison to the U.S. tradition, there is relatively greater government regulation of the workplace and labor relations.

(A) Ireland and the EU

The EU role in the Irish economic boom cannot be underestimated. During the period 1994 to 1999, Ireland received more EU funding per capita than any other EU Member State, with EU fund transfers to Ireland representing approximately 3.5 percent of GDP for the period, on average, during the period. EU transfers to Ireland will also be reduced substantially as Ireland's per capita GDP now exceeds the cut-off for certain types of EU funding, and the expected accession to the EU of six new Member States will reduce the amount available to current members.

The future amounts of transfers to Ireland were determined during negotiations over the EU's "Agenda 2000" agricultural reforms and the Structural and Cohesion Funds at the Berlin European Council in 1999. The present round of structural funds program will allocate Irish pounds 2.9 billion in EU Structural and Cohesion funding to Ireland in the period 2000-2006. In attempting to maximize the transfer of funds from Brussels, the Irish Government divided the country into two regions, the Border, Midland and West region and the Southern and Eastern region; the former benefiting from maximum aid rates and the later experiencing a phasing out over the period 2000-2006. The division of the country into two regions will have a significant impact on the rates of state aid that can be offered to potential inward investors, as the Irish Government can offer maximum aid rates of up to 40 percent in the Border, Midland and West region and a reduced 20 percent in the South and Eastern region.

(B) Privatization

There is no formal government privatization plan, but the Minister for Public Enterprise oversees the government's stated goal of doing “whatever is necessary to enable [state companies] to be competitive and cost-effective,” including finding strategic alliance partners to expand markets, changing the pension and share-holding structures for employees, and moving to liberalize certain industries.

EU integration and the challenges of a global economy are the engines that are propelling Ireland to liberalize its remaining state-owned industries. Public and business leaders in Ireland generally support privatization of government-owned industries and organized labor now recognizes the need for privatization and more market control in the communications, transportation, and energy industries as long as the government still retains a regulatory role.

Against this backdrop, the Irish government is moving ahead with significant privatization plans, particularly in the communications, energy and transport sectors. The state-owned telephone company, Telecom Eireann, was publicly floated on the Dublin and New York Stock Exchanges in May 1999, under its new name "Eircom.". Under the agreed plan, employees received a 14.9 percent stake in the company and over 488,000 Irish investors purchased shares in Eircom. Also as part of the 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.

Ireland has opened 33-40 percent of its electricity market to European competition in accordance with the EU electricity directive. This development has sparked significant interest among electricity suppliers, both domestic and foreign, in the Irish electricity market, although the provision of electricity in Ireland is relatively costly for suppliers, owing to low demographic density in areas outside the major urban centers. The gas industry is to be similarly deregulated beginning in 2001.

In the transportation sector, the government sold Team Aer Lingus, the maintenance arm of the state-owned airline, Aer Lingus, to private Danish concern in 1998. In June 2000 the Minister for Public Enterprise published the "Aer Lingus Bill 2000," which provides the legislative platform for the initial public offering (IPO) of shares in a privatized Aer Lingus. The Irish Government has signaled that, depending on prompt legislative action on this bill, it may be possible to complete the offering towards the latter part 2000 or early 2001 depending on market conditions. Aer Lingus employs over 6,200 people and operates thirty-eight aircraft serving thirty-four destinations. In 1999, it carried over 6.5 million passengers.

The state-owned Irish transport company, Coras Iompar Eireann (C.I.E.) is split into three subsidiary companies; Iararod Eireann, (which provides rail services), Dublin Bus (providing Dublin metropolitan bus service) and Bus Eireann (providing provincial bus service). Recently, the Government put forward a plan to permit private bus companies to subcontract with Dublin Bus for service on selected routes in the Greater Dublin Area, which would complement existing Dublin Bus services.

Balance of Payments

In every year since 1991, the current account has been in surplus. In 1999, the surplus equaled IP 233 million ($314.5) approximately 0.4 percent of GDP, down from 2.0 percent of GDP in 1998. This reduction in the Balance of Payments surplus year on year does not suggest that the level of Irish exports is decreasing, but that the level of imports is increasing due to increased demand for luxury items and services. In fact, Irish export volume growth has outperformed average EU growth consistently in recent years. The merchandise trade surplus in 1999 reached a record IP 17.8 billion ($24.0 billion), or 26 percent of GDP. Merchandise exports totaled IP 49.5 billion ($66.8 billion) in 1999, an increase of 13.6 percent over the previous year, with industrial exports rising over 16 percent, primarily due to increases from the high technology sector. Export growth in 2000 is expected to match 1999 levels due to a sustained recovery in European export markets and increased capacity in the high technology and other manufacturing sectors. Imports of goods and services rose 11.2 percent in 1999, with merchandise imports rising 7.8 percent to IP 31.7 billion ($42.8 billion). Imports are projected to increase by at least 14.5 percent in 2000 as a result of continued high demand for capital and consumer goods.

Much of the merchandise trade surplus is offset by the IP 9.0 billion ($12.1 billion) deficit in the factor income balance, which includes all direct investment income of multinational firms, whether remitted overseas or retained in Ireland. This amount is expected to rise to IP 11 billion ($13.3 billion) in 2000. A current account deficit amounting to approximately 0.5 percent of GDP is expected in 2000, with the merchandise trade surplus projected to approach IP 21 billion ($25.4 billion). The fact that Ireland will move from a current account surplus to a deficit is largely caused by a continuous increase in domestic demand and a demand for financial services to complement developments in the Irish Financial Services Center. Although Irish exports are expected to continue to grow into the near future, imports will grow at a faster rate, especially in the services sector, thus creating a marginal current account deficit for some time.

Infrastructure

Ireland has close transport connections to international markets. No part of the country is more than 70 miles from a harbor or airport, from which frequent shipping and air services connect with the UK, Continental Europe, and other international destinations. An extensive road and rail network provides internal transportation, supplemented by domestic air services between Dublin and Ireland's three other international airports (Shannon, Cork, and Knock) and its six regional airports.

Ireland has 55,500 miles of paved roads, of which 3,350 are classified as main roads. While the country has more paved roads on a per capita basis than any other country in the EU, it lacks an efficient network of highways, especially multi-lane highways to the major ports. Road transportation is the preferred means of travel and goods distribution, with 96 percent of all inland passenger transport and over 90 percent of inland freight transport conveyed by road. The balance is carried by rail. The 1,700-mile rail system provides passenger and freight services to most cities and main towns, including those in Northern Ireland. It primarily links Dublin with the other major urban centers. The national network of buses is far more extensive than the rail system.

Dublin, Cork, and Limerick are the three largest ports, with Dublin the principal port. There are numerous smaller harbors around the coastline. Ferry and freight services connect Ireland to the UK and Continental Europe.

Ireland is forging ahead in efforts to establish the country as the e-commerce hub or capital of Europe. The focal point of the Government's endeavor is to expand high speed Internet connectivity, while sharply lowering costs. This will be achieved through a project that will connect Ireland to the main U.S. Internet backbone and linking it with a 36-city European network via Global Crossing's undersea Atlantic cable. Officials predict that Ireland will be the first European country where every home and office will have high speed, broadband access to the Internet. Use of the web is currently estimated at about 14 percent of the population, still behind that of most European Union countries.

Major Infrastructure Projects Underway

The Irish Government's National Development Plan 2000-2006" (NDP) outlines spending plans of about $50 billion aimed at eliminating barriers to sustained growth in its fast growing "Celtic Tiger" economy. Over the next five to seven years, the National Development Plan will provide excellent business opportunities for American companies willing to take a long-term view to this market.

In a major change in direction, the Government of Ireland (GOI) has signaled that it will seek to attract the participation of non-Irish, including U.S., firms to participate in the National Development Plan. . This major change in government policy, which was announced by Taoiseach (Prime Minister) Bertie Ahern and confirmed by subsequent announcements by GOI ministers and officials, is an acknowledgement that, because of the "Celtic Tiger", Irish construction and engineering firms will not be able to meet the objectives of the 2000-2006 National Development Plan (NDP). According to Prime Minister Ahern, "Within two years an awful lot of EU contracts are going to go to foreign companies. The people here do not have the capacity to take them on. We are determined to get on with this and the huge contracts are going to go abroad". This new policy is expected to open the market for non-Irish competitors, as tenders will focus on larger contracts and Public Private Partnership (PPP) projects.

As a result of the extremely strong growth of the Irish economy over the past six years, the Irish national exchequer will finance most of the Ireland National Development Plan, 2000-2006. The European Union (EU) is expected to contribute about $6.0 billion (less than one-eighth of the total) as compared to funding most of the two previous national development plans (1989-1994 & 1994-1999). The NDP also outlines the use of public private partnerships (PPPs) to fund major infrastructural projects for the first time. The plan encompasses projects throughout the country with EU funds being spent in 13 lesser-developed counties of Ireland, in what is now being called the "BMW" region, or priority one areas. The BMW region is made up of the Border counties with Northern Ireland, the Area of the Midlands and the Western Region of Ireland. The BMW region will continue to receive EU Objective One funds while the rest of the country (South & East Region) will receive decreasing amounts through 2006. Overall, the BMW region will receive approximately 40% of the NDP spending with the S&E receiving the remaining 60 percent.

CHAPTER III

POLITICAL ENVIRONMENT

Ireland's Bilateral Relationship with the United States

Ireland and the United States enjoy excellent bilateral relations. The same language, similar values, frequent visits by U.S. and Irish business people, students, and tourists as well as the fact that nearly forty-four million Americans claim some measure of Irish descent provide the framework in which close Irish-U.S. relations flourish.

There are, at this time, no major outstanding bilateral economic or political disputes. A few bilateral issues will arise, e.g., U.S. concern over Ireland's lack of a TRIPS-compliant legal regime for the protection of intellectual property rights, which was just recently resolved (see Chapter VII), but these issues are addressed in a spirit of frank cooperation that reflects our strong cultural, historical, and political links.

Ireland's Growing Multilateral Interests and Impact on U.S. Relations

Several serious multilateral trade disagreements involving Ireland have arisen in recent years, stemming from Ireland's membership of the European Union (EU) and Ireland's frequent support of the EU consensus on the EU's trade disagreements with the U.S. Ireland, for example, supports the EU's actions in regard to the ongoing U.S.-EU banana dispute, as well as endorses the EU's decision not to lift its ban on imports of U.S. beef from cattle treated with approved growth hormones. As a result, certain Irish exports to the U.S. are subject to the increased tariffs that the U.S. Government imposed on a range of products from EU member states in response to the EU's failures to implement WTO rulings in favor of the U.S. in both the banana and hormone cases. The Irish commitment to WTO mechanisms and the reservoir of goodwill built up on both sides has, for now, tempered the direct impact of these kind of disputes on U.S.-Irish bilateral relations.

Ireland's Foreign and Security Policy

Although not an ally in technical legal terms, Ireland remains one of America's closest friends in the world, as well as a close working partner in many global fora. Ireland officially maintains a position of military neutrality, but has pledged to support the Common Foreign and Security Policy (CFSP) provided for under the Maastricht Treaty on European Union. The Irish government, which is not a NATO member, joined NATO's Partnership for Peace Program (PFP) in 1999. PFP membership will further Ireland's already significant role in peacekeeping operations around the world. Irish military forces have been active in UN peacekeeping operations continuously since the mid-1950s. Ireland shares U.S. views on human rights, development of the world economy, and most other global issues. Ireland's preference, in part because of its relatively small size among the world's nations, is to pursue its international foreign policy objectives through multilateral diplomacy, mainly through the United Nations and the EU, rather than through direct bilateral engagement.

The U.S. Role in the Northern Ireland Peace Process

Achieving a peaceful, democratic solution to the violence and political instability that have plagued Northern Ireland for the last thirty years is among the primary objectives of both the Irish and U.S. Governments. Both governments have sought to do this by sustaining and encouraging the Northern Ireland Peace Process, working in tandem with the British Government and the parties on the ground in Northern Ireland.

President Clinton's visits to Ireland in December 1995 and September 1998, as well as related events under the framework of the President's "Economic Initiative for Ireland," not only reinforced our close bilateral ties, but demonstrated the U.S. Government's commitment to the Northern Ireland Peace Process. The U.S. Government has played an active role in promoting the Peace Process, including the provision of support for the multi-party political negotiations which, under the aegis of former U.S. Senator George Mitchell, produced the historic Good Friday Agreement signed on April 10, 1998.

President Clinton has affirmed the U.S. commitment to support implementation of the Agreement, including continuing U.S. Government work on economic initiatives in

Northern Ireland and the border counties of Ireland aimed at reinforcing peace. Despite serious difficulties in meeting the Good Friday Agreement's timetables for full implementation, all parties to the Agreement, both "Unionist" (i.e., those who favor continued political union between Northern Ireland and Great Britain) and "Nationalist" (i.e., those who want Northern Ireland to become a part of Ireland), have continuously expressed their support for the Agreement. And, by early summer 2000, it appeared the parties to the Agreement had finally surmounted the serious stumbling block that the issue of "decommissioning" paramilitary weapons (i.e., disarming) had posed to full implementation of the Agreement, in particular the Agreement's provisions on the return of devolved government to Northern Ireland through the establishment of a Northern Ireland Parliamentary Assembly and Executive.

The return of devolved government to Northern Ireland, which has been governed directly by appointed officials since the early 1970s, was the centerpiece of the Good Friday Agreement. An "Executive Body" was established in 1998 and a parliamentary Assembly came into existence in late 1999, but the decision of the leading Unionist party in Northern Ireland to withdraw from the new Government altogether unless there was further progress on decommissioning of weapons belonging to the Irish Republican Army (the IRA), the largest of the Nationalist paramilitaries, led the British Government to suspend the Northern Ireland Assembly and Executive in February 2000. With the establishment of an International Arms Inspection team in May 2000, led by former ANC official Mr. Cyril Ramaphosa and the former Finnish President, Mr Martii Ahtisaari, all sides agreed to a mechanism whereby arms under the control of the IRA will not be literally "decommissioned" but will be sealed and inspected at regular intervals to ensure that the arms are "placed beyond use." The support of all the parties for this arrangement allowed the British Government to reconvene the Northern Ireland Assembly in May 2000 and the Ministers in the Northern Ireland Executive to retake their positions and portfolios.

With this mechanism for decommissioning, the reestablishment of devolved government in the North, ongoing implementation of the other provisions of the Good Friday Agreement, and the continuing commitment to cease-fires from the major paramilitaries responsible for most of the violence of the past thirty years, there is now reason for optimism that the communities of Northern Ireland are putting an end to the "Troubles" of the last decades in Northern Ireland.

Major Political Issues Affecting the Business Climate in Ireland

Few major political issues significantly affect the business climate in Ireland, which is, from almost every viewpoint, one of the best for business, and in particular for foreign business and investment, in the EU.

The Effect of the Northern Ireland Situation in the Republic of Ireland

Political instability and violence in Northern Ireland over the past thirty years often were perceived as extending to the Republic of Ireland. In reality, however, there has been little spill over of violence into Ireland from Northern Ireland, especially since the late-1970s. There has not been any act of violence related to the situation in Northern Ireland specifically directed at U.S. citizens or firms located in the Republic of Ireland.

The economy of the Republic of Ireland undoubtedly benefited from an increase in business and foreign investor confidence after the end of widespread violence in the North that began in 1994 with the declaration of paramilitary cease-fires. But the economic environment of the Republic is now so strong and self-sustaining that it would take a dramatic and long-term deterioration in the security and political situation in the North for the Republic's overall business environment to be affected.

The already low prospects for violence in Ireland diminished even further with the Good Friday Agreement and its ratification by large majorities in Ireland and Northern Ireland on May 22, 1998. Despite some serious obstacles to meeting the Agreement's timetables for full implementation (see above "The U.S. Role in the Northern Ireland Peace Process"), all the parties to the Agreement remained committed to it. As of July 2000, all parties signed up to the Agreement, and their paramilitary wings, have maintained their cease-fires.

Splinter groups opposed to the peace process have, however, committed terrorist attacks in Northern Ireland and in mainland Britain on several occasions since the Good Friday Agreement was signed. There have been no serious incidents in Ireland. But a potential for political violence and civil disturbances, in Northern Ireland and to a much lesser degree in the Republic of Ireland, remains for now.

Business-Government Relations

Ireland has an open and transparent business climate. Surveys by private sector consultants and others, such as the OECD, consistently find Ireland has one of the most supportive environments for business in Europe, in part because of the bipartisan support for pro-business policies across the mainstream of the Irish political spectrum.

Both foreign and indigenous businesses have broad access to government officials to discuss immediate business concerns, as well as broader government economic policies. Ireland's unique "Partnership Programs," see "Ireland's National Partnership Programs" below, provide a forum for business, government, labor, and the farming sector, as well as other "social partners" to come together to exchange views and discuss each group's interests. The Irish Business and Employer's Confederation (IBEC), which represents the interests of Irish business before the government and in the media, is open to all businesses in Ireland, domestic or foreign and meets often with government officials, as well as Irish parliamentarians. Other groups, such as the American Chambers of Commerce, also have access to government officials when needed.

Government decision-making remains centralized in Dublin, although local zoning and development decisions are generally made at the local country level. Lines of authority and decision-making related to business concerns are clear in Ireland. There are generally good relations between officials at the national level in Dublin and local authorities at the regional, county, and city levels. The government of Prime Minister Ahern has begun in the past year an effort to disperse government agencies and departments away from Dublin as part of a conscious government policy to decentralize Government operations and encourage development outside of Dublin.

Current Government Economic Policies

Following parliamentary elections on June 6, 1997, the leader of the Fianna Fail party, Bertie Ahern, was elected Taoiseach (Prime Minister) by the Dail (the Lower House of the Irish parliament) on June 26, 1997. Prime Minister Ahern leads a minority Government in partnership with the Progressive Democratic Party, led by Mary Harney, who was appointed Deputy Prime Minister and Minister for Enterprise, Trade and Employment.

The current government enjoys an enviable economic environment. In 1999, Ireland had one of the fastest growing economies in the industrialized world. The outlook is for continued strong growth of at least four to five percent per year over the next two or three years, continued low interest rates, declines in already low rates of unemployment and, thanks to projected government budgetary surpluses over the next several years, significant fiscal outlays for renovation and extension of the country's infrastructure (communications, transport, energy, and environmental). If the Irish government continues to implement appropriate policies, progress in reducing the national debt, which now stands at 45 percent of GDP and has been steadily declining since the early 1990s, will further reduce over the next several years.

The most serious storm cloud hanging over the general excellent Irish economic outlook is a worrying spike of inflation, which after remaining at low levels throughout the period of rapid economic growth in the 1990s, shot up rapidly in late 1999 and is running at over five percent for the first half of 2000. Irish economists and Government officials are mixed on whether the spike is a short-term reaction to external factors -- such as oil price increases, recent tax increases on items like cigarettes, and the strong pound which makes imported goods from Ireland's largest trading partner, the UK -- or is the start of a longer trend which will significantly slow down the Irish economy and spark a wage price spiral. The immediate indication, at the mid-point of 2000, is that Irish economic growth, job growth, and consumer spending remain strong and show no signs of weakening.

The economic program of Prime Minister Ahern seeks to maintain Ireland's record economic growth while placing greater emphasis on sharing the benefits of that growth geographically across Ireland and among social groups, including those traditionally outside of the economic mainstream (the long-term unemployed, women, older workers). Job creation, development of the economic infrastructure needed to sustain Irish growth in the next century (telecoms, transport, energy) and resolving the Northern Ireland situation are the Government's top priorities. Economic policy centers on prudent fiscal management, moderate tax reform, and a reduction of the Irish State's role in key sectors of the Irish economy through privatization and greater competition.

Despite relative high levels of personal and sales taxation, Irish consumer confidence and spending have shown strong growth in recent years. A recent spike in inflation, running at over five percent for the first five months of 2000, is a significant storm cloud over the future of consumer confidence though, as noted above, has so far produced no slow down in Irish personal and business spending, or on overall consumer confidence.

The Government of Prime Minister Ahern remains committed to Ireland's policy of seeking to attract targeted foreign direct investment (FDI) to Ireland though generous support programs and special low rates of corporate taxation. The Government has, however, recently begun to institute significant modifications to its policies on FDI. It has, for example, begun to limit incentives and supports for foreign investment in the booming Dublin area and in the counties of Eastern Ireland, while focusing its assistance efforts on foreign investors who locate new operations and businesses in the relatively under-developed border counties with Northern Ireland and certain parts of Western Ireland (see Chapter VII, "(A) Irish Government Attitude towards Foreign Investment"). The Government is also modifying its policies to put a greater focus on supporting foreign firms which already have operations in Ireland and are considering expanding operations, in an effort to "embed" these firms here in Ireland. There is also a new focus on firms/investments relating to e-commerce activities

In addition, Prime Minister Ahern's Government announced, as part of an agreement reached with the EU Commission which had been concerned at perceived unfair Irish "poaching" of FDI from other EU states, that it will phase out the current system of special low corporate tax rates for foreign and indigenous companies making investments in certain targeted industrial sectors. Instead, the Irish Government will gradually phase all the various existing Irish corporate tax rates into a standard single corporate tax rate of 12.5 percent by the year 2003. This will give Ireland one of the lowest standard corporate tax rates in the EU (see Chapter VII, "(B) Ireland's New Corporate Tax Regime" for more information).

There is bipartisan political support, and broad popular endorsement, for the Government's economic policies and focus. Political debate over economic issues in past elections this decade have centered on which party is a better "manager" of the economy, rather than over significant changes in government economic policies. Given the existing political orientation and economic views of the major opposition parties, and relative weak strength of the few small parties proposing radical changes in economic policy, a near-term change in the Irish Government is very unlikely to produce any significant alteration to the economic or investment climate in Ireland.

Labor and Employment Conditions

Given Ireland's extensive social welfare system, U.S. employers often find the marginal cost of employing another worker high, though less expensive relative to the major continental EU states like France and Germany. Labor unions strenuously oppose proposals to lay off or dismiss workers and significant severance packages for "redundant" workers are a common industrial practice in Ireland. The Irish constitution gives workers the right to form and join labor unions, but employers in Ireland have the right not to recognize unions and to deal with employees on an individual basis. The issue of mandatory trade union recognition remains high on the agenda for Irish labor unions and as item on the table during negotiations over Ireland's unique "National Economic Partnership Agreements." (see Chapter VII, "(B) Labor" for more discussion of the labor environment in Ireland).

Ireland's National Partnership Programs

Strikes in the Irish private sector are relatively rare, especially in comparison to the late 1970s and early 1980s. Many observers credit the unique series of "National Economic Partnership Programs", negotiated between representatives of employees, trade unions, the government, farmers and other "social partners" (such as groups representing the unemployed and physically disabled), for the relative quiet of the Irish labor scene and for providing the economic and industrial relations soil from which the historic Irish economic growth of the 1990s sprung. The latest national economic program, "The Program for Prosperity and Fairness", was signed in April 2000 and continues the central element at the heart of all previous Partnership Programs -- a trade off of pay moderation by labor unions in return for income tax cuts by the government. The Partnership Programs establish a range for wage increases over the life of the Agreement, assuming that certain economic conditions are met. Though not legally binding on the parties, the Partnership Programs have in fact established, through out most of the 1990s, the general framework for wages in the Irish economy.

The latest Partnership Program, signed in April 2000, established a new focus. It outlines actions to be taken by the government, business and labor to ensure a broader "sharing" of the benefits of the Irish economic boom across Ireland, both geographically and among social classes. The focus on "equality issues" in the new Partnership Program reflects the fundamental change in social conditions in Ireland over the past decade. Ireland's historical economic need -- to generate employment for its emigrating youth -- has been met. Ireland can now afford to address issues of social exclusion and opportunity that historically had been given less priority in the face of the immediate need to reduce high unemployment in Ireland.

The current Partnership Program is under stress as a result of the recent spike in inflation. The agreement is under increasing attack, as the rate of inflation has risen sharply in 2000 and begun to erode away the value of the pay rises agreed to in the Agreement. Consequently, Irish unions have called on the Government to introduce a range of measures to combat spiraling inflation or to renegotiate the Agreement.

In June 2000, the Government introduced a number of limited measures to respond to the recent spike in inflation, but appears for now not to be planning any radical actions, such as reducing the planned expenditures on the National Development Plan (see Chapter II, "Major Infrastructure Plans Underway") or to put on hold further income tax reductions for lower income workers. The Government appears to share the view of many Irish economists that, in the end, the rise in inflation is a natural and manageable brake on an Irish economy that was in danger of overheating. For now, the Government appears confident that careful management of the economy over the next months, in particular assuring that key sectors remain open to competition, is the best way of addressing the inflationary challenge.

The Irish Political System

Ireland is a parliamentary democracy. Under the Irish Constitution, the head of state is the President, a largely ceremonial figure elected to a seven-year term. Under the Irish Constitution, the President needs advance cabinet approval of speeches and travel.

President Mary Robinson, elected in 1990, stepped down in September 1997 to assume the post of UN High Commissioner for Human Rights. Her successor, Mary McAleese, a university professor and lawyer from Belfast, was elected on October 30, 1997, and inaugurated on November 11, 1997. Both Robinson and McAleese expanded the role of the President, through use of their "bully pulpit." Increasingly the President will play a larger role in shaping Irish political debate.

The Bicameral Parliament is comprised of the "Seanad" or Senate with 60 members and the "Dail" or House of Representatives with 166 members. Dail representatives are elected by universal suffrage to 5-year terms. Members of the Senate also hold office for similar 5-year terms; however, 11 Senate members are nominated by the Prime Minister and the remaining 49 are named by the Prime Minister after being nominated by local universities and from panels in the following five areas: Cultural and Educational, Agricultural, Labor, Industrial and Commercial, and Administrative. The Dail is the more powerful body of the two houses of Parliament. It elects the Prime Minister and has greater authority to revise legislation introduced by the Government.

The Irish electoral system employs a “single transferable vote” to provide proportional representation from multi-candidate constituencies.

The Political Environment

Since coming to power, the government of Prime Minister Ahern has presided over a strong economy -- Ireland boasts the highest growth rate of any country in the OECD over the last three years; low unemployment; and a surplus in the country’s finances. As a result, the popularity of his Government has remained relatively stable. The recent rise in the “Celtic Tiger’s” inflation rate is a serious challenge to the Government's electoral claim of being the best "manager" of Ireland's economic success among Irish political parties and may, eventually, spark a downturn in the Prime Minister's political fortunes, if inflation remains high. For now, however, public opinion polls indicate the Government of Prime Minister Ahern continues to enjoy the public's support because of Ireland's sustained economic growth, as well as the recent progress in the Northern Ireland Peace Process.

A more serious storm cloud ahead for Prime Minister Ahern than even the spike in inflation are the allegations of political corruption related to property development schemes, tax avoidance by business and political leaders, and other scandals dating back to the late 1980s and early 1990s that have surfaced in recent years. The Dail has established two tribunals, the Flood Tribunal and the Moriarty Tribunal, to investigate these various scandals and the work of the two tribunals will likely continue until 2001. Although several senior political leaders and Members of Parliament have been named in connection with the scandals, the government of Prime Minister Ahern has been able to avoid any direct casualties and most observers think it unlikely new general elections will be held before spring 2001.

Over the long term, however, the cynicism and anger the scandals are provoking among Irish voters may lead to significant changes in the Irish political system. Smaller parties, especially "outsider" parties such as the Greens or Sinn Fein may begin to benefit from voters' anger at Ireland's two largest political parties, Fianna Fail and Fine Gael. Irish politics have been dominated by these two political parties, both of which grew out of Ireland's bitter 1922-23 civil war. But the rise of new smaller parties, fueled by voter anger with these older parties, and coming at a time when the issue of Northern Ireland is less pressing for Irish voters as the peace process takes root, may move the Irish political system to develop along more traditional European and U.S. lines, with two large parties, one generally favoring more state involvement in society and economic life than the other.

This redesign of Irish political life is likely to be the most important domestic political story of the next several years. For now, however, sharp changes in the political policies and environment of Ireland unlikely

Current Composition of the Irish Parliament

Following the June 6, 1997 parliamentary elections (and subsequent by-elections) distribution among parties in the Dail is:

Fianna Fail	76 seats
Fine Gael	54 seats
Labor*	21 seats
Progressive Democrats	4 seats
Greens	2 seats
Sinn Fein	1 seat
Socialist Party	1 seat
Independents	7 seats

***** In accordance with tradition, Labor voluntarily relinquished one seat in the Dail when one of its members, Deputy Seamus Pattison, was elected to the non-voting position of Speaker, reducing its usual voting membership from 21 to 20.

Orientation of Parties in the Dail

Fianna Fail ("Soldiers of Destiny") -- Founded by Eamon de Valera, it is the offspring of the those members of the original Sinn Fein Party that were opposed to the 1922 Free State Treaty with Great Britain that established an Irish Free State and partitioned part of the island of Ireland into Northern Ireland. It has been the largest party in the Dail since 1932 and has participated in government in 51 of the 68 years since. Until 1989, it had refused to enter into coalition government with another party. Drawing support from all sectors of Irish society, it is populist in policy, moving in recent years away from a policy of economic nationalism to fully integrating Ireland into the global economy. The party has also embraced the principle of privatization and, under the current government, the full or partial sell-offs of several key state-owned enterprises has begun. The party supports close U.S.-Irish relations, as well as full engagement in the EU. Its leader is Bertie Ahern, the current Prime Minister.

Fine Gael ("Tribe of Ireland") -- The second largest party in the Dail, it is the successor to the Pro-Free State Treaty party which formed the first Irish government in 1923. It has headed virtually all post-1932 non-Fianna Fail governments, including the three-party “Rainbow” coalition that governed Ireland from 1994-97. Traditionally more economically conservative than Fianna Fail, it assumed a more social democratic orientation under Garret FitzGerald, Prime Minister in 1981-1982 and in 1982-1987. Fine Gael gained an additional eight seats in the 1997 general election. The economic orientation of Fine Gael is, on all key issues, practically identical to that of Fianna Fail, although Fine Gael is more philosophically open to greater expansion of free trade and less government involvement in the economy than traditionally has been Fianna Fail, largely because its base is in urban areas, rather among Ireland's still large farming sector, which is a prim beneficiary of continued EU trade and agricultural subsidies. Fine Gael supports close U.S-Irish relations and is, among all the parties, the strongest supporter of closer foreign policy and security cooperation with the U.S. Party leader John Bruton served as Prime Minister from 1994-97.

Labour -- It is the oldest Irish party, dating back to 1912. Since then, Labour has played a significant role in modernizing Irish politics. Labour won 19 percent of the vote and 33 seats in the Dail in 1992, but saw its vote decline in the 1997 elections, winning only 17 seats. Former Finance Minister Ruairi Quinn took over as party leader after the 1997 elections. In 1999, Labour merged with the Democratic Left (DL) party, a 1992 offshoot of the small Worker's Party, and generally more socialist in orientation than Labour. Prionnsais de Rossa, DL's leader, became the Party's "President," while Quinn remained the party's leader. Despite high hopes among the newly-merged Labour party, the merger had little impact on Labour's overall percentage of the vote in the 1999 local and EU parliamentary elections. Most recently, Labor supporters were disappointed at the party's failure to retain a seat, made vacant by the death of the incumbent, in a spring 2000 by-election. The party's orientation is similar to that of mainstream Social Democratic parties in other European nations.

Progressive Democrats (PDs) -- Formed in 1985 by dissident Fianna Fail deputies under the leadership of Des O'Malley, the PDs appeal to voters concerned about high taxes, integrity in government, and economic stability. Mary Harney, the first woman to head a major party in Ireland, succeeded Des O'Malley. The PDs won four seats in the 1997 elections and entered Bertie Ahern’s coalition Government. Mary Harney was appointed Tanaiste (Deputy Prime Minister) and Minister for Enterprise, Trade and Employment. The party has run on a platform of ending corruption in Irish political life and opening up the Irish economy through privatization, increased foreign investment and trade, as well as investment in key infrastructure needs.

Green Party -- The Green Party emerged onto the Irish political scene during the European Parliament election of June 9, 1994, winning seats in Dublin and in Leinster, respectively, both of which it retained in the 1999 European Parliament elections. It won two Dail seats in 1997. The Party's strong performance is attributed to an issue-oriented campaign in a policy area, the environment, of growing importance to the Irish electorate as well as to its skeptical stance toward greater European integration, a unique position among the main Irish political parties. The party does not call for as radical a program of limits on economic growth as its continental counterparts often have in the past, but the party strongly supports placing a greater emphasis on calculating the environmental costs of further economic growth and development in Ireland. Party members have been in the forefront on issues such as opposition to development and sale of genetically modified food products and seeds, support for third-world debt cancellation, and the need to preserve Ireland's policy of military neutrality. The two Green members of the Dail are in opposition to the government of Prime Minister Ahern.

Sinn Fein –- In 1997, for the first time since the foundation of the State, an elected Sinn Fein Deputy took a seat in the Dail, following the party's 1986 decision to end its official policy of abstentions. Although it has political links with the Irish Republican Army, a terrorist organization, Sinn Fein states that it seeks to pursue its goal of a united Ireland and an end to British authority in Northern Ireland by exclusively political means. Sinn Fein registered small but significant electoral gains in the Republic of Ireland during the 1999 local elections. Sinn Fein is also the only "all island" party, running candidates in Northern Ireland as well as the Republic. Sinn Fein's program calls for an end to NATO, large increases in social spending, and a strict policy of military neutrality for Ireland.

CHAPTER IV

MARKETING U.S. PRODUCTS AND SERVICES

Introduction

As Ireland is a small open economy with a heavy dependence on international trade, the introduction of products and services into the Irish market is relatively uncomplicated. Current international marketing and distribution practices are widely utilized in the Irish market. Moreover, e-commerce practices are quickly being adopted by the Irish government and business community. U.S. firms with quality products and services will be enthusiastically assisted by their local business partners in achieving their goals and objectives for the Irish market.

The opportunities for the establishment of business relationships are unique in that Irish firms are very interested in representing U.S. companies both within the Irish market and in the larger European market. While, numerous U.S. firms are already represented by agents and distributors, or have direct sales, in Ireland, indigenous manufacturers are now seeking relationships such as technology transfer, licensing, and strategic alliance agreements with U.S. firms.

Distribution Methods

Product representation throughout the country is facilitated by the compact market and may be achieved with any of the following distribution methods to cover the entire area, depending on the expected sales volume and marketing techniques:

(a) Establishing a local sales office to serve Ireland and provide a distribution point for Western Europe.

(b) Selling through an agent or distributor whose activity may cover specified areas, the entire country, or include European sales.

(c) Selling through established wholesalers or dealers.

(d) Selling directly to department stores, chains, retailer cooperatives, consumer cooperatives, or other purchasing organizations.

Distribution methods vary with the product and with the individual commercial relationship, and must be tailored to fit the particular market conditions in each instance. U.S. companies can utilize their experience in successful distribution techniques in the United States as a threshold for approaching the Irish market. Generally, consumer goods are best sold through a distributor carrying stocks for immediate delivery and sale, whereas capital goods and industrial equipment are more effectively marketed through a commission agent. In the case of certain raw materials with low mark-ups; and, for capital goods and supplies for which there are limited numbers of potential users or buyers, direct selling probably will be more effective.

The U.S. exporter would be ill-advised, after having appointed a local representative, to provide only product literature and samples and then expect to achieve optimum sales results. Regular communications and visits to the representative, particularly when newly appointed, by seasoned sales personnel or company technicians can provide information on market developments and assist in the solution of any problems. Regular submission of sales reports can be a vital link to analyzing sales results and identifying potential problems before serious ones occur. Irish business people purchase from international sources and expect well-designed, high-quality products, with efficient after-sales service. Thus, an effective servicing system also should be incorporated into distribution plans.

Appointing an Agent or Distributor

As Ireland presents a compact market, international firms customarily have one exclusive representative for the entire country, but it is common for the representative to appoint subagents to cover certain sectors of the market if sales and profit margins warrant. In addition, a sales representative located in Ireland is in an ideal position to market a product throughout the European marketplace. Frequently, U.S. firms will also rely on the Irish distributor to handle the details of labeling and packaging for European preferences regarding the product. The familiarity and fluency of many Irish business firms with the varied languages of Europe also underline Ireland's capacity as a labeling and packaging point.

The careful selection of a dynamic representative is important for successful sales over the long term. The selection of a good sales representative is also essential because EU legislation is restrictive regarding the termination of agents and distributors. The Council Directive EEC 86/653 sets forth conditions on termination of a commercial agent and provides for appropriate compensation. In addition, Irish legislation protects the interests of distributors. Before entering into any agreement with a partner, the American principal should first review the provisions of Irish and EU law with a qualified attorney. The legislation regarding unilateral termination of distribution agreements is designed to provide the local distributor with some degree of protection and monetary compensation when an agreement is terminated by the grantor, for reasons other than cause. The legislation will apply regardless of any clause in the agreement itself, and the parties may not deviate from the legislation as long as the distribution agreement is in force.

Three kinds of distribution agreement are covered by Irish legislation:

(a) Exclusive distributorships, where the distributor has the sole right to sell specified goods within a defined area.

(b) Quasi-exclusive distributorships, where the distributor sells almost all the specified products within a defined area.

(c) Informal distributor arrangements under which the grantor imposes heavy obligations on the distributor and which would cause damage to the distributorship if the grantor terminated the agreement.

In the absence of a mutual agreement, or the failure to meet contract obligations, a distribution agreement of indefinite term cannot be terminated by the grantor without reasonable notice or fair compensation. In general, grantors should consider protecting themselves by entering into agreements for definite periods rather than an indefinite period. In addition, specific minimum performance clauses should be considered, such as percent of distributor's sales, minimum annual sales, number of business contacts to be made, etc.; and, awareness that a foreign legal regime and other foreign regulatory and adjudicative fora have jurisdiction.

EU Legislation on Agents

Under EU legislation, a commercial agent is a self-employed intermediary who has continuing authority to negotiate the sale or the purchase of goods on behalf of another person, or to negotiate and conclude such transactions on behalf of the principal.

Each party is entitled to a written document setting out the terms of their contract. The minimum termination notice is one month for the first year of service, two months for the second year, and three months for the third year and subsequent years. Agents must be compensated if they brought the principal new customers or increased the volume of existing business.

The amount of indemnity may not exceed a figure equivalent to an agent's annual remuneration over the preceding five years or the average of the period in question. The indemnity is not payable if the principal has terminated the contract because of default by the agent or if the contract is terminated on grounds of age, infirmity, or illness of the agent.

Finding a Partner

The U.S. Commercial Service of the U.S. Department of Commerce offers a range of business solutions to U.S. firms seeking international sales or business partners through its network of Export Assistance Centers (EAC) in 105 cities throughout the United States and 158 offices in 85 countries. U.S. firms interested in achieving representation in Ireland are urged to contact their local Export Assistance Center (EAC) for information on services such as the Gold Key Service (GKS) and Agent Distributor Service. Contact details for EACs are available from the U.S. Department of

Commerce's Trade Information Center (TIC), phone: 1-800-USA-TRAD(E) (1-800-872-8723), fax: (202) 482-4473, internet: http://www.usatrade.gov.

Manufacturers seeking an Irish agent to service the domestic and European market ideally should visit Ireland to make an appraisal of the relative merits of prospective agents. Besides acquainting the U.S. exporter directly with local market conditions and special sales characteristics, a visit also provides an opportunity to discuss policy and sales campaigns with the agent, review responsibility for customs fees, taxes, labeling, transportation modalities, business procedures, and payments. These responsibilities should always be clearly defined before undertaking a long-term relationship.

A continued close working contact between the American firm and the agent or distributor is very desirable and should be developed early in the relationship. Certain products and equipment require servicing to maintain their useful life. The U.S. exporter should determine if this is needed and develop a distribution network to include such servicing by qualified personnel. To develop trust, loyalty, and marketing skills, U.S. producers frequently bring their agents or distributors to the United States for training and marketing assistance.

Checking the Bona Fides of Banks, Agents, Business Partners, Contractors and Customers

Publicly-quoted companies must publish substantive annual reports which meet the reporting requirements laid down by the accounting bodies and which comply with stock exchange regulations. Large Irish companies have listings on the Dublin and London stock exchanges. In recent years, emerging high technology and dotcom companies have secured listings on the Nasdaq and German Neuer markets. Company legislation requires that every registered company must file a set of sudited accounts annually with the Companies Registration Office. Copies of such audited accounts can be obtained directly from the Companies Registration Office for a specified fee. In addition, mercantile agencies such as Dun & Bradstreet Ireland will undertake commercial credit reporting on any company in Ireland.

Wholesale and Retail Channels

There are some 34,000 retail and 2,500 wholesale outlets in Ireland. While, the distribution system, especially at retail level, still consists of small outlets by American standards, it is moving toward larger, more economically viable units to satisfy changing market needs. The increasing tempo of commercial and industrial development, as well as suburban development, is bringing about significant changes in the distribution system. Wholesalers supply a variety of services to associated small retailers, including sales promotion, advertising, and retail training. In some cases, they combine small retailers into a buying group in order to achieve purchasing economies and increased purchasing power with manufacturers.

Retail outlets in Ireland range from the large department stores to the small shop owned and operated by an individual. Although most retail outlets are small, such enterprises are decreasing in number as efficiencies of scale and purchasing power become the major competitive factors bearing on profit margins. A trend toward larger outlets has been underway, with the formation of chains, expansion of department stores, establishment of medium-sized department stores, and the development of chain stores under single management.

Discount firms, especially those stocking consumer electronics and domestic appliances, are still increasing, and the number of self-service stores is rising steadily. Self-service is not confined to small merchandising units as department stores and gas stations also have incorporated this sales technique in their operations.

The Irish food retail trade is very receptive to new food product ideas and is constantly monitoring developments in new products in the international marketplace. As few chains import directly, the major food retail chains often use specialized importers to administer the logistics of importation and distribution. As a result, there is a large number of food importers, many of whom are quite small, serving the retail trade. Some of these importers are also distributors of Irish produce; and, indeed some also are local manufacturers. Most importers/distributors have adequate distribution facilities to most parts of Ireland.

In 1998 there were 9,180 food retail outlets of varying sizes in Ireland. Two distinct segments exist within the sector; the supermarket multiples, and independent retailers. The food retail sector is dominated by three multiple chains, while a number of smaller chains also operate. The multiples dominate the grocery trade in the Greater Dublin Area accounting for about three quarters of retail sales. Following the acquisition of the Quinnsworth/Crazy Prices multiple chain by the U.K.-based Tesco Group in 1997, there was considerable speculation of further similar acquisitions by other major U.K. chains. To date, no additional acquisitions have taken place. Outside of the main urban areas, many of the independent retailers are affiliated to "symbol groups" which facilitate the attainment of purchasing economies of scale through procurement from a central purchaser.

A recent trend in the food retail sector is the increased diversification of product portfolio. Last year, Tusa a joint venture between the supermarket multiple Superquinn and TSB Bank was established to offer in-store banking services and is proving successful. The supermarket chain Tesco recently entered the financial services market with the provision of a low interest credit card.

Mail-order sales account for a very small part of total Irish retail sales. Certain firms have used this technique successfully in combination with their usual retail outlet operations. Promotion is carried out by catalog, or by newspaper advertisements with no personal contact. Hobby centers, Do-It-Yourself (DIY) or home improvement stores, auto supply centers, and discount stores also are enjoying great success.

Franchising

Substantial opportunities exist for U.S. companies to establish franchise systems in Ireland. There is increasing acceptance of the retail-franchising concept by both the Irish business community and consumers. The sector has experienced steady growth with the recent entry of additional international franchise operations and the success of indigenous franchise systems both in Ireland and overseas. The unprecedented growth of the economy resulting in greater affluence and increase in disposable incomes, changes in consumer buying patterns and the spread of suburban living, have all contributed to the growth of the franchise sector.

There are few regulations concerning franchising and none that limit market access to U.S. firms. The EU Regulation 4087/88 EEC regarding franchising, provides a unified code for the 15 member states. Its primary focus concerns price fixing, transfer pricing, non-competition clauses and exclusive dealing. It also exempts certain franchise agreements from the EU anti-trust regulations.

Direct Marketing

Irish companies spend in excess of $244 million on direct marketing services annually. The Irish Direct Marketing Association, the representative body for direct marketing in Ireland, has 350 members ranging from financial services firms to telecommunications companies and law firms. Telemarketing, in particular, has spearheaded the growth of the direct marketing sector in Ireland as a large number of companies, including Dell, United Parcel Service and American Airlines are now providing telemarketing services from Ireland. These international firms are serving both the Irish and European marketplaces from their Irish telemarketing operation.

E-Commerce

Ireland is at a relatively early stage of e-commerce development compared with international markets such as the United States, United Kingdom and Canada. However, the sector is forecast to experience significant growth in the short term with online revenues forecast to reach $5.1 billion by 2003. There are definitive signs of growth in the Irish e-commerce sector. According to a recent report by Amarach Consulting, e-commerce activity in Ireland is forecast to exceed $310 million during 2000. This market valuation represents a significant increase (almost 200%) on a similar study by this Irish consulting firm in early 2000. B2B transactions account for almost 77% of Irish e-commerce activity with B2C accounting for the remaining 23%. Ireland is considered to be at a fairly early stage of e-commerce development as only some 15% of Irish internet users make purchases over the internet, and about 19% of businesses conduct internet transactions. The report forecasts that e-commerce activity in Ireland will increase 15-fold to $5.1 billion by 2003. The B2C and B2B segments are expected to contribute significantly to this growth. It is forecast that some 32% of internet users in Ireland will purchase over the web and 64% of businesses will conduct internet transactions by 2003.

Joint Ventures/Licensing

Numerous international firms have joint venture and licensing arrangements with manufacturers based in Ireland. There are no formal regulations relating to joint ventures in Ireland. In each case, the terms of the joint venture are the subject of an agreement between the parties concerned. Generally, the agreement sets out the basis on which the parties are to cooperate on a particular joint venture.

Government approval is not necessary for licensing agreements, and no statutory restrictions are imposed on the amounts of royalties or other details of licensing arrangements. However, an international firm intending to license the use of its trademark to a company based in Ireland must designate the licensee as a registered user, and an appropriate application must be lodged in order to prevent any future legal problems.

Enterprise Ireland, the state agency responsible for the development of indigenous Irish industry, continually seeks to develop joint ventures, licensing, technology transfer, and other types of strategic alliance arrangements between Irish and international firms. The objective is to bring successful Irish companies with available resources of capital, management, technical knowledge, and skilled workers together with international firms that have comparable strengths, particularly in areas of product development and marketing. U.S. firms can gain access to the European marketplace by adopting a joint venture/licensing strategy.

Enterprise Ireland is currently involved in three programs designed to develop strategic partnerships between U.S. and Irish firms. First, Enterprise Ireland and the U.S. Small Business Administration have an agreement to establish strategic partnerships between American and Irish businesses. Second, the International Fund for Ireland (IFI) and Enterprise Ireland operate the North American Partnership Program (NAPP) which is designed to promote the establishment of profitable and long term strategic alliances between companies in the six Border Counties of Ireland and U.S. firms. Finally, the New Hampshire High Technology Council have an agreement with Enterprise Ireland to enhance strategic alliances based on New Hampshire having Ireland as its second largest trading partner.

As with all business investment decisions, U.S. firms considering joint venture, licensing, or other strategic alliance arrangements in Ireland should seek professional advice regarding the legal, financial, and taxation implications of the agreements being negotiated. The U.S. Commercial Service at the U.S. Embassy in Dublin can assist U.S. companies in addressing these issues.

Steps in Setting Up an Office

U.S. firms considering establishing an office in Ireland are recommended to contact the Commercial Service at the U.S. Embassy in Dublin for information and advice on evaluating and/or establishing business operations in Ireland.

Advertising

A full range of advertising media is available in Ireland. In 1999, some $547 million was spent on above-the-line advertising activity with Print accounting for 52%, TV 30%, Radio 9%, Outdoor 8% and Cinema 1%.

There is increasing competition in the broadcasting sector with independent national broadcasting organizations, Today FM (radio) and TV3 (television) now challenging the state-controlled Radio-Telefis Eireann (RTE) organization. There are also a large number of independent radio stations operating in local areas. The Irish cable television system is available in urban areas with about one-third of the population having cable service, another third having multi-channel service, which includes British TV transmissions, and the remaining one-third receiving only RTE television programming. The Broadcasting Bill 2000 presents the next challenge for the sector with its proposals for the introduction of digital television into Ireland. The Advertising Standards Authority of Ireland has established a code of standards which must be complied with by all advertisers. Advertising films must be approved before showing. Detailed advertising rates can be obtained from most local advertising agencies.

Ireland has approximately 60 newspapers and 150 periodicals or trade magazines. The Dublin dailies (Irish Times and Irish Independent) and the Irish Examiner (Cork) are the only newspapers having national distribution. The Irish Independent (morning) has the largest circulation, followed by the Evening Herald. The Irish Times (morning) has the smallest circulation in Dublin, but reaches the important business and finance market. There are four national Sunday newspapers, of which the Sunday Business Post is directed at the important corporate executive market. British broadsheets and tabloids are widely available in Ireland. The Irish Times, Irish Independent, Irish Examiner, Sunday Business Post, and many regional newspapers also have electronic editions on the world wide web. A listing of the major newspapers and business journals is contained in Chapter XI.

There are numerous advertising agencies with a wide range of services. The large agencies provide a full range of advertising services and are members of the Institute of Advertising Practitioners, which is closely associated with the American Association of Advertising Agencies (AAAA). Advertising agencies utilize every medium available to advertisers: direct mailings, press, radio, television, point-of-sale advertising, posters, and public transportation vehicles. Other promotional techniques, such as coupons, samples, premiums, and prizes, are also used. Laws covering gaming and lotteries as well as restrictive trade practices are strictly enforced by the government. Firms advertising and selling goods should obtain local advice regarding provisions of the laws and consumer acceptance of the promotional or marketing approach.

The names of Irish advertising agencies, market research organizations, and management and public relations counseling firms may be found in such publications as the "International Directory of Market Research Houses and Services", American Marketing Association, Suite 17625, 60 East 42 Street, New York, NY 10017, phone: (212) 687-3280.

The major firms engaged in market research in Ireland are mainly headquartered in Dublin. These firms provide the usual range of services, including store audits, consumer surveys, product field testing, and attitude and motivation research. In general, if the advertising technique works well for a product line in the United States and elsewhere in Europe, the Irish market also should be receptive to the theme. There are differences, however, in spending habits and preferences for types of goods and services, and local opinion should be obtained first for a specific strategy that calls for a major commitment of resources. A listing of the major market research firms is contained in Chapter XI.

Trade Fairs

Ireland does not have any major international trade fairs, except in the tourism sector. In international terms, Irish trade fairs are small scale events attracting a more local trade and consumer buying audience. Thus, they principally offer sales and promotional opportunities for Irish agents and distributors. In general, the international element of these events is limited to local representatives promoting international brands.

Due to the proximity of Ireland to major trade fairs in European cities, most Irish manufacturers, agents, distributors, and end users attend the major European exhibitions in their industry sector. As part of the U.S. Department of Commerce's Showcase Europe strategy, the Commercial Service (CS-Dublin) at the U.S. Embassy promotes U.S. pavilions at the major European tradeshows to the local business community to ensure U.S. exhibitors receive Irish visitors. Irish business people also attend the major trade shows in the United States. CS-Dublin actively promotes the major U.S. trade shows which are part of the U.S. Department of Commerce's International Buyer Program.

Pricing Product

Sales quotations are usually given on a c.i.f. (cost, insurance, freight) basis. This is the sales price plus costs, insurance, and freight to point of importation. The c.i.f. quote is generally preferred by Irish importers as they are familiar with the customs charges and taxes on the product that are levied at the time of importation, but may not be acquainted with U.S. trucking and ocean or air charges. Large firms and department stores, however, sometimes buy on f.o.b. (free on board) terms when they prefer to arrange for shipping and insuring the goods themselves. Quotations and invoicing are usually in terms of the currency of the country of origin.

Selling to the Irish Government and Public Sector

As a member of the EU, Ireland has adopted the Community's public procurement Directives. All Irish works, supply, services, and utility procurement projects which fall within the guidelines of the EU public procurement Directives are published in the Official Journal of the European Community "S" series. CS-Dublin actively monitors and reports on major procurement projects offering opportunities for U.S. firms. Although U.S. firms with operations in Ireland generally report no problems in their efforts to sell to the Irish government and public sector firms, strong registrations of discontent were voiced by major U.S. telecommunications companies concerning transparency and other issues related to the award of the second GSM mobile telephony license by the Irish government in late 1995. Since that decision, however, there have been no complaints from U.S. firms over the awarding of major public sector contracts in Ireland.

Registration of Patents, Trademarks, and Designs

Ireland has legislation for the protection of patents, trademarks, and industrial designs. It is a member of the Paris Union, which adheres to the International Convention for the Protection of Industrial Property. Applications for patents, registration of trademarks, and design protection should be filed with the Irish Patent Office, Department of Enterprise, Trade and Employment, 45 Merrion Square, Dublin 2.

In order to bring Irish trademark legislation in line with both EU Directive 89/104/EEC, (the harmonization of trademark laws), and EU Regulation (EC) No. 40/94, (Community trade mark and the registration of trade marks in services industries, among others,) the Trade Marks Act 1996 was brought into law in July 1996. This new legislation replaced the Trade Marks Act 1963. Sections 12 and 25 of the 1996 Act refer to rights conferred by registered trade mark and jointly owned trade marks.

Under the Maastricht Treaty, the granting of EU patents under the Agreement of Community Patents will be carried out by the European Patent Office, supervised by a special committee of representatives of member states of the Union. Before the Agreement can come into operation, it has to be ratified by the remaining contracting states, including Ireland. National patents are granted by the Patents Office. National patents granted by member states prior to the coming into force of the Agreement of Community Patents will not be affected by that Agreement.

Copyright

Irish copyright law is similar, but not identical, to that of the United Kingdom. In Ireland, protection is provided by the Copyright Act of 1963. Ireland is a member of the Berne Convention, which forms the International Union for the Protection of Literary and Artistic Works. Both Ireland and the United States are signatories of the Universal Copyright Convention, which provides for mutual copyright protection. On July 1, 1995, Ireland implemented EU Directive 93/98/EEC (Term of Protection of Copyright Regulation) (referred to as the “Term Directive”). The Directive extends copyright to life-plus-seventy-years as opposed to life-plus-fifty-years.

A wholesale reform of Irish intellectual property rights (IPR) law has just been undertaken. In July 2000 new legislation was signed to bring Irish intellectual property rights law into compliance with Ireland’s obligations under the WTO Trade Related

Intellectual Property Treaty (TRIPs). More detailed information on this legislation is contained in Chapter VII (Investment Climate Statement).

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 designed to bring 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, it will come into force in early Fall 2000 and give 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 previous Irish IPR law 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 estimate that up to 60% of PC software used in Ireland is 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 in the previous legislation:

(A) the compulsory licensing provisions of the previous 1992 Patent Law were inconsistent with the "working" requirement prohibition of TRIPs Articles 27.1 and

(B) the general compulsory licensing provisions of Article 31; and applications processed after December 20, 1991, did not conform to the non-discrimination requirement of TRIPs Article 27.1.

Final enactment of the new legislation, and simultaneous repeal of previous IPR laws, will occur by Ministerial order in early Fall 2000, following completion of necessary preparatory administrative work, such as the regulatory definition of terms used in the new law (e.g., "charitable institutions" and "lending libraries") and the establishment of new dispute settlement bodies created under the new legislation.

Need for Professional Advice

When contemplating doing business in Ireland, U.S. firms should seek professional advice regarding the legal, financial, and taxation aspects of doing business in Ireland.

All the major international accounting firms have established offices in Ireland, while local legal firms are well-versed in both Irish and EU legislation. Given both the 500+ U.S. firms with operations in Ireland, and the several hundred other U.S. firms with business relationships in Ireland, the Irish professional services sector is well-positioned to meet the specific needs of U.S. firms.

CHAPTER V

LEADING SECTORS FOR U.S. EXPORTS AND INVESTMENT

AT A GLANCE...

A. BEST PROSPECT NON-AGRICULTURAL GOODS AND SERVICES - IRELAND FY 2001

Best Prospects represent industry sectors where U.S. exporters can enter the market or increase their market share over the next couple of years.

Ranking	Title	Est. Total Market Size (USD millions)	Est. Imports from U.S. (USD millions)
1.	Computers and Peripherals	1,031.0	580.0
2.	Electronic Components	2,453.0	510.0
3.	Travel and Tourism Services	3,710.0	357.0
4.	Computer Software	675.0	176.0
5.	Electrical Power Systems	1,815.0	163.0
6.	Medical Equipment	240.0	159.0
7.	Franchising	633.0	153.0
8.	Computer & Telecommunications Information Services	181.0	80.0
9.	Drugs and Pharmaceuticals	1,271.0	67.0
10.	Building Products	2,048.0	53.0
11.	Telecommunications Services	1,543.0	37.0
12.	Telecommunications Equipment	348.0	22.0
13.	Process Controls-Industrial	203.0	21.0
14.	Household Consumer Goods	506.0	17.0

15.	Pollution Control Equipment & Services	417.0	9.0

Notes:

(1) Market statistics refer to 2000 and are unofficial estimates.

(2) Best Prospects are ranked by estimated size of imports from the U.S.

(3) In support of the Commercial Service's "Showcase Europe" strategy, CS-Dublin also focuses on the eight 'Showcase' sectors of Aerospace & Defense, Automotive Components, Energy Technologies, Environmental Technologies, Franchising, Information & Communications Technology, Medical & Pharmaceuticals, and Travel & Tourism.

B. BEST PROSPECTS FOR NON-AGRICULTURAL GOODS AND SERVICES - IRELAND FY 2001

It should be noted that, due to the ease of transshipment of goods within the European Union, official trade data may not be complete. Therefore, data on total market size may be understated.

1. Computers and Peripherals (CPT):

Ireland has a strong computer manufacturing base comprised principally of U.S. manufacturers such as Apple, Dell, Gateway 2000, and Compaq. In addition, Hewlett Packard and Xerox have recently commenced inkjet printer manufacturing operations. This strong U.S. manufacturing presence has seen these subsidiaries utilize the favorable Irish labor market and tax treatment to supply the European computer and peripherals marketplace.

Despite being very mature with all the major international brands having a market presence, the Irish computers and peripherals market continues to enjoy an average annual growth rate of 4 percent. Like most international markets, local computer hardware prices have fallen dramatically in recent years in response to competitive pressures and the drive to achieve market share. The substantial end user base in the industry and commercial sectors provides a large future market for computers and peripherals. At the same time, demand is growing in the small office, homeowner (SOHO) segment as more and more people have a PC in the home. PC ownership stands at 36% of the population. Some 25% of adults are now accessing the internet from the home and about one million people now use a PC at home or in the workplace in Ireland. Home PC ownership and internet usage are forecast to grow significantly in the near term.

Market opportunities exist for U.S. companies with innovative information technology products. Irish agents and distributors are always seeking new and innovative products. These business representatives attend most of the major international high technology trade fairs in Europe and the U.S. Most promising sub-sectors include peripherals, accessories and parts, complete systems, internet-ready personal computers (PC's) and printers for PCs, and networking products and services.

Data Table

	1998	1999	2000
	(USD millions)		
A. Total Market Size:	1,140.0	1,108.0	1,031.0
B. Total Local Production:	3,421.0	3,326.0	3,096.0
C. Total Exports:	4,333.0	4,212.0	3,921.0
D. Total Imports:	2,052.0	1,994.0	1,856.0
E. Imports from U.S.:	641.0	622.0	580.0
F. Exchange Rate (USD/IEP):	0.70	0.74	0.82

Note: The above statistics are unofficial estimates.

2. Electronic Components (ELC):

Electronics is the largest manufacturing industry in Ireland with about 300 firms employing over 30,000 people in a wide range of sub-sectors including computer systems and sub-systems, peripherals & media, electronic components, data communication equipment, control & test systems, and consumer electronics. The sector accounts for one-third of all industrial exports from Ireland and has posted an annual average of 1,000 new jobs since 1987.

The driving force behind sector growth is international investment. This, in turn, has created the emergence of a strong technology base within the indigenous electronics sector as local firms provide essential sub-supply services to international manufacturers. As these manufacturers utilize world class manufacturing techniques, indigenous suppliers have had to adopt these principles in order to achieve sub-supplier status. Additionally, the ready availability of well-educated and skilled personnel to staff new international investment projects is a distinct feature of the sector in Ireland.

The presence of major international computer manufacturers such as Apple, Dell, Gateway 2000, and Stratus has created a lucrative electronic components market locally. Annual growth is forecast to be 4 percent. As only 40% of electronic components are sourced from local suppliers, there are substantial market opportunities for U.S. electronic component suppliers. Ireland also represents a suitable base for penetrating the lucrative European electronics industry. U.S. component manufacturers such as Analog Devices, Intel, SCI and Tellabs have established local manufacturing subsidiaries to penetrate the Irish and European markets. Most promising sub-sectors include; integrated circuits, disk drives, printed circuits, semi-conductors (not I.C.s), resistors, and capacitors.

Indigenous electronics firms are continually seeking corporate relationships that will enable them to expand their business operations. Strategic alliances, licensing, and/or technology transfer agreements with U.S. firms seeking a European market presence are actively sought by indigenous electronics firms. Enterprise Ireland, the agency responsible for the development of the indigenous sector, is available to assist interested U.S. firms in matching-up with appropriate Irish firms.

Data Table

	1998	1999	2000
	(USD millions)		
A. Total Market Size:	2,658.0	2,611.0	2,454.0
B. Total Local Production	2,128.0	2,090.0	1,964.0
C. Total Exports:	878.0	861.0	810.0
D. Total Imports:	1,408.0	1,382.0	1,300.0
E. Imports from U.S.:	553.0	543.0	510.0
F. Exchange Rate (USD/IEP):	0.70	0.74	0.82

Note: The above statistics are unofficial estimates.

3. Travel and Tourism Services (TRA):

Ireland represents one of the fastest-growing markets for U.S. travel and tourism services in Europe. The Irish market is subsequently attracting the attention of numerous States and individual destination marketing entities who are engaging in promotional and training activities targeting both the travel trade and the consumer market, e.g. the highly successful States of Rhode Island and Vermont trade missions to Ireland in FY 1999 chose the travel and tourism industry as one of their primary targeted industries.

Over 50% of Irish people take a holiday outside Ireland annually. With the estimated 44 million Irish-American community and other attractions, the U.S. is the most popular long-haul holiday destination among Irish tourists. In 1999, Irish residents undertook a total of 3.57m visits overseas, 246,000 of which were to the United States. This figure represents an increase of 6 per cent in Irish travel to the U.S. on the previous year. The total number of Irish visitors going abroad between January and March 2000 was 725,000 compared with 714,000 in the corresponding period last year. Ireland is currently ranked 21st in the top 50 markets for the U.S. tourism industry which is a significant statistic given the country's population of 3.71 million. Industry experts anticipate between 7 and 8 per cent increase in Irish passenger travel to the U.S. in 2000.

The estimated 44 million Irish-American community has been stated as one of the main contributory factors to the history of Ireland/U.S. travel in the past. The recent steady growth in travel from Ireland to the United States reflects the buoyant nature of the Irish economy which has resulted in increased disposable incomes enabling more people to consider the U.S. as a viable tourist destination. The very favorable economic factors together with the reduction of air fares due to increased competition on the transatlantic routes, has resulted in unprecedented growth in the industry. The medium-term outlook for the sector is very favorable given the positive economic forecasts for the Irish economy and the increased flight capacity on the transatlantic routes including the new Aer Lingus, (national airline), service to Los Angeles which has opened up the west coast to Irish travelers. Aer Lingus, Delta Air Lines and Continental Airlines now fly directly into the U.S. servicing the following destinations; New York, Newark, Boston, Chicago, Atlanta and Los Angeles. United Airlines, U.S. Airways, American Airlines and TWA also provide services for Irish travelers via the United Kingdom.

Another important gateway to the U.S. will open up for Irish travelers in September, 2000 when Aer Lingus commence direct flights to the Baltimore-Maryland airport. Other important developments in the Irish aviation sector include the approval for Aer Lingus to join the One World global strategic alliance dominated by American Airlines and British Airways. In addition, plans are also underway for the privatization of Aer Lingus. Local Irish industry and chamber of commerce representatives have voiced their support of the abolishment of the current quota system whereby an equal number of flights to and from the U.S. must go to both Shannon and Dublin airports. The removal of this system would, they believe, lead to opportunities for further direct flight service to additional destinations.

The recent high level of growth in travel to the U.S. is reflected in the increased number of flights from both Dublin and Shannon airports. Immigration and Naturalization Services statistics reveal that between 1998 and 1999 the number of U.S. bound flights from Dublin increased by 47 per cent and an increase of 39 per cent was recorded for the same period via Shannon Airport.

Tourists represent 85% of all Irish visitors to the U.S., while business visitors account for 14%, with the remaining one-percent being student travel. The most popular destinations for Irish visitors are Florida, New York, Massachusetts, California, Illinois, Arizona, and Nevada. American vacations account for over one third of all Irish tourists' foreign holiday expenditures. The very active local Visit-USA committee, comprising 40 U.S. and Irish hospitality firms and supported by the U.S. Commercial Service, provides an important promotional and networking vehicle for travel and tourism entities looking to enter the Irish market. The Committee organizes a U.S.A. pavilion at the Irish Holiday World Trade Fair which attracts over 55,000 trade and consumers per annum, (see Trade Event Schedule, Chapter XIII), as well as organizing high profile promotional events targeting the Irish travel trade sector.

Investment opportunities also exist within Ireland in tourism products, infrastructure, and services for U.S. investors as the Irish government endeavors to achieve the full potential of the tourism sector by investing in new facilities and services. The number of overseas visitors to Ireland has increased by 128 per cent in the last 10 years. Tourism in Ireland is a USD2.7b industry, supporting over 210,000 jobs in the Irish economy. Bord Failte, (Irish Tourism Board), estimates that Ireland will attract over 6m visitors this year which represents an increase of 6.2 per cent on the previous year. In 1999, the number of overseas visitors to Ireland from North America was 943,000 compared to 855,000 the previous year, an increase of 10.3 per cent.

It is expected that Ireland will receive approximately 8m visitors annually by 2004. This anticipated growth of visitors to the entire island of Ireland will generate a demand for additional facilities and services. This will require investment in both physical assets and training and offers opportunities for U.S. firms servicing the tourism sector. There is concern however among industry experts in relation to over capacity of accommodation particularly in the Dublin area. While visitor numbers to Dublin have increased from 880,000 in 1988 to 3 million in 1999, the rate of increase in hotel rooms has overtaken demand.

Data Table

	1998	1999	2000
		(USD millions)	
A. Total Holiday Expenditure:	3,399.0	3,802.0	3,710.0
B. Expenditure on Home Holidays:	1,177.0	1,187.0	1,158.0
C. Expenditure by Visitors to Ireland:	3,055.0	3,378.0	3,296.0
D. Expenditure by Irish Tourists Abroad	2,222.0	2,615.0	2,552.0
E. Expenditure by Irish Visitors to the U.S.:	459.0	366.0	357.0
F. Exchange Rate (USD/IEP):	0.70	0.74	0.82

Notes:

(1) The above statistics are unofficial estimates.

(2) Total Holiday Expenditure is the sum of expenditure on home holidays and expenditure by Irish tourists abroad.

4. Computer Software (CSF):

Software is one of Ireland's fastest growing business sectors with growth being about 15% every two years. The Irish software industry is comprised of over 620 firms employing almost 22,000 people in a broad range of activities including development and customization, localization and translation, production and distribution, and technical support. It is an exported-oriented industry with over 90% of domestic production sold abroad. Indeed, some industry observers rank Ireland behind only the United States as a software exporter.

The industry is comprised of three categories of companies: multinational corporations (MNCs) exporting to the EU and beyond, indigenous companies engaged in exporting, and indigenous firms servicing the local Irish market. The MNC sector is comprised of over 80 international software producers, including: five of the top 10 independent software companies in the world, seven of the top 10 package software vendors in Europe, and six of the top computer services groups in Europe. U.S. firms account for much of this investment with over 30 companies, including Microsoft, Lotus, Motorola, Digital, Symantec, Informix, Sun Microsystems, Platinum, Novell and EDS having operations in Ireland.

MNCs account for almost 90% of industry output and are using Ireland as a European localization and translation base. These companies not only republish and distribute software from their base in Ireland but also are involved in software localization, translating applications into the major European languages and packaging those products for sale. As a result, some 60% of all PC package software sold in Europe each year is manufactured in Ireland. There are over 1,000 personnel employed in localization, translation, and customization activities in Ireland. Software localization is considered to have strong growth potential within Ireland as the country has a significant competitive advantage in this area.

Ireland has become a significant world center for software development because of its skilled, highly educated workforce, excellent supply infrastructure, cost competitive environment, and sophisticated telecommunications network. The country produces over 400 computer science graduates annually and these individuals are being employed in the local software development laboratories of major international software firms.

There is a comprehensive and well-trained local sub-supply infrastructure as Irish suppliers to MNCs have quickly adopted WCM techniques and provide products and services to the required quality levels utilizing modern technology within the required lead times at the right price. At the same time, this supply infrastructure is continually innovating, as suppliers are preparing their operations to service the software sector into the future.

U.S. software firms seeking to penetrate the lucrative European software market should consider entering into joint venture/licensing agreements with Irish firms who have the experience of exporting to EU markets. Local software firms engaging in exporting are interested in matching up with U.S. software firms and Enterprise Ireland, the state agency responsible for the development of indigenous industry, is available to assist in this matching process.

Data Table

	1998	1999	2000
	(USD millions)		
A. Total Market Size:	715.0	710.0	675.0
B. Total Local Production	4,782.0	4,740.0	4,500.0
C. Total Exports:	4,263.0	4,689.0	4,225.0
D. Total Imports:	426.0	420.0	400.0
E. Imports from U.S.:	170.0	177.0	176.0
F. Exchange Rate (USD/IEP):	0.70	0.74	0.82

Note: The above statistics are unofficial estimates.

5. Electrical Power Systems (ELP):

Demand for electricity in Ireland is growing approximately 5% annually and reflects the performance of the Irish economy. It is estimated that future electricity demand will create an annual requirement for an additional 150 MW of generation capacity. While there are no restrictions on the generation of electricity within the State, only the Electricity Supply Board (ESB), the Irish electrical utility, has permission to sell electricity on the local market. At the same time, Ireland is relatively isolated from the European electricity network as the recommissioned interconnector with Northern Ireland represents its sole connectivity to the European network.

The Irish power generation sector is experiencing a major re-organization as the Irish government implements EU deregulation and liberalization proposals for the power generation and transmission sector. In June 1999, the Commission for Electricity Regulation (CER), an independent body, was established to (A) license and regulate the generation and supply of electricity, (B) authorize the construction of new generating plant and (C) oversee third party access to the ESB's transmission and distribution systems. On February 19, 2000, 28% of the Irish electricity market (approximately 320 customers whose annual electricity consumption is 4GWh or more) was opened to competition. There has been strong interest expressed by independent power producers (IPPs) in participating in this new liberalized market with some 10 consortia announcing plans to build new power generation plants.

More immediate opportunities for U.S. firms exist in the ESB's plans to invest over $2.0 billion on production facilities, networks, and new systems and services by the end of the century. This is the largest capital investment program ever undertaken by the ESB. To assist U.S. companies capitalize on the market opportunities in the newly liberalized energy sector sector, CS-Dublin monitors and reports all major project opportunities in the power generation, transmission, and renewable energy sectors.

Data Table

	1998	1999	2000
	(USD millions)		
A. Total Market Size:	1,760.0	1,830.0	1,815.0
B. Total Local Production	1,225.0	1,270.0	1,262.0
C. Total Exports:	455.0	470.0	467.0
D. Total Imports:	990.0	1.030.0	1,020.0
E. Imports from U.S.:	160.0	165.0	163.0
F. Exchange Rate (USD/IEP):	0.70	0.74	0.82

Note: The above statistics are unofficial estimates.

6. Medical Equipment (MED):

The Irish medical device manufacturing industry (including diagnostics) grew 6 per cent in 1999 to reach a value of USD227m/IP186m and currently comprises 75 manufacturing companies employing 19,000 people. The industry is characterized by significant and continuing U.S. investment with 10 of the world's top 15 medical device manufacturers having a manufacturing base in Ireland. Exports reached USD2.4b/IP2b in 1999, 70 per cent of which were exported to EU countries and the remainder to non-EU countries. The most up-to-date import statistics record 1998 imports at USD300m/IP246m, representing 46 per cent from EU countries and 54 per cent from non-EU countries.

IDA Ireland, (Industrial Development Authority), has named Ireland the 'healthcare capital of Europe' and states that over the last 10 years, every U.S. medical device company looking for a European base has selected Ireland as its preferred site. U.S. companies in Ireland include Abbott Laboratories, Baxter Healthcare, Stryker Howmedica Osteonics, Medtronic, Boston Scientific, Millipore and Mallinckrodt Medical. Many companies operate in niche sectors/technologies with predominant activity centered on non-powered passive devices. The broad range of products manufactured includes drug-delivery pumps, analyzers, muscle stimulators, ostomy bags, incontinence products, orthopedic implants, catheters, lenses, surgical tapes, masks, sutures, home pregnancy kits and diagnostic kits.

International manufacturers use Ireland as a manufacturing and sales base and export their output to European and worldwide markets. Imports, which constitute almost all of market demand, actually exceeds overall demand as Ireland is used as a distribution point by international suppliers with local assembly operations for EU countries. The U.S. dominates the import market with a 36 per cent share as U.S. medical devices and equipment enjoy a strong reputation among Irish medical personnel. A number of multinationals operate marketing and R&D functions in addition to manufacturing at their Irish base. The large number of Irish medical personnel who study and train in the U.S., combined with the attendance of Irish medical distributors and end users at U.S. medical trade fairs, has contributed to strong receptivity of U.S. medical equipment.

Indigenous manufacturers are primarily small-scale companies producing disposable products, but an increased interest in hi-tech products and R&D is rapidly emerging. Medical consultants with international experience have influenced this trend towards hi-tech products. The industry is also strongly supported by colleges and universities throughout the country who provide courses in engineering and biosciences.

Cost-cutting in health care is the key issue that underpins most of the changes in the industry. Value growth in the industry worldwide has been slowing on average to 6 per cent per annum, while volume growth remains at approximately 10 per cent per annum. For many multinationals, decision-making remains overseas. Cost-containment may reduce margins and result in companies reviewing the cost base which could lead to a reassessment of Irish operations.

Research and development strength and product technology are still the key success factors to combat market pressures and protect market niches. The strategies that companies are employing include bundling/selling related products together; expanding the scope of a product area by offering related accessories and services such as training; increasing the interconnectivity of products, eg. catheters and accessories and introducing new products through R&D. Typical R&D expenditure of companies in Ireland is 2 per cent of sales compared to 7 per cent worldwide however, the GOI is undertaking major initiatives to encourage investment in R&D.

In recent years, the healthcare sector has engaged in tight operating cost control as the Irish government introduced strict budgetary guidelines for the sector. However, under the National Development Plan 2000 – 2006, a total of USD2.8 billion has been set aside to address the capital needs of health services. This is the first time that health services has been included in a national development plan. It is anticipated that the overall investment will result in the reduction of hospital waiting lists to 12 months for adults and six months for children through the provision of additional capacity in surgical specialties such as orthopedics, ENT and vascular surgery. Medical technologies represent 6 per cent of total health expenditure which currently stands at USD3.9b/IP3.2b. For details of major healthcare projects please see the significant investment opportunities section.

Market opportunities are supported by Irish distributors of medical equipment who continually seek new and innovative products. Most promising sub-sectors include medical instruments, disposable medical products and electro-medical apparatus. Major opportunities also exist for sub-supply companies as larger manufacturers are showing an increased tendency to source as much as possible in their local environments.

Data Table

	1998	1999	2000

		(USD millions)	
A. Total Market Size:	169.0	251.0	240.0
B. Total Local Production	662.0	2,600.0	2,500.0
C. Total Exports:	690.0	2,700.0	2,600.0
D. Total Imports:	197.0	332.0	318.0
E. Imports from U.S.:	72.0	166.0	159.0
F. Exchange Rate (USD/IEP):	0.70	0.74	0.82

Note: The above statistics are unofficial estimates.

7. Franchising (FRA):

The Irish franchising industry experienced net growth in annual sales of over 20% between 1997 and 1998. This trend is set to continue as general retail sales figures for the period April, 1999 to April, 2000 recorded an unprecedented increase of almost 22 percent. There are over 140 franchising systems operating approximately 1,200 units in Ireland, employing 12,800 people and generating annual sales of approximately $732 million. International systems dominate the local market with a number of systems operating as franchisee units controlled by UK-based master license holders. International franchisors utilize this approach to the Irish market because they consider the UK and Irish markets as an integral area, however caution should be exercised as this approach has proven unsuccessful in the past and U.S. companies are advised to ensure that UK master licensee holders possess the relevant local market knowledge, contacts and dedication to the Irish market in order to optimize success in this potentially lucrative albeit small market.

Among the 140 international franchise systems operating in Ireland, 27% are of U.S. origin, 54% are U.K. firms, 12% are Irish systems and 7% are from other nations. While U.S. systems only constitute a small portion of the Irish market, U.S. franchises, in particular fast food operations, have a significant market presence and are among the most successful enterprises. U.S. franchises in Ireland include Swisher Hygiene, Chem-Dry, Budget Rent-A-Car, Futurekids, Gloria Jeans, Nevada Bobs and Subway.

Recent U.S. entrants to Ireland reflect the versatility of franchising as a form of international business expansion for companies across a diverse range of industries. TGI Fridays, following the footsteps of McDonalds, Burger King and Four Star Pizza, has recently opened two restaurants in Dublin and has plans to open another three outlets in Ireland. Commerce One, a global internet e-commerce company, has recently appointed Irish-owned B2B Luiton as its Irish franchisee to establish an online marketplace in Ireland.

Despite the substantial opportunities for U.S. franchise operations in Ireland, potential entrants should be aware of the increasing difficulty companies are experiencing in recruiting and retaining employees in service industries due to the exceptional demands resulting from the buoyant economy. As unemployment figures fall to an all-time low, the Irish government is undertaking initiatives to address the labor shortfall across targeted sectors including the hospitality and tourism industries. These initiatives include training programs and efforts to increase the number of working visas to attract foreign immigrants.

Franchising opportunities exist in a wide range of market sectors where the extent of franchising has not been fully tapped. Future growth areas are predicted to include home help, building maintenance, repairs, painting, gardening, and childcare franchises. Demand for these services will continue to escalate due to the increased levels of disposable income and inability of existing services to meet current and future demand. A related area of opportunity also exists in the establishment of manufacturing operations to supply European markets. Specifically, opportunities exist for U.S. franchisors to take advantage of current Irish government incentives for basing operations in Ireland to supply their European franchise networks. This would not only accommodate requirements to have a European base, but also presents other inducements such as lower costs, better skilled work force availability, attractive tax benefits, subsidized training programs and ideal air/seaport and other multi-modal transportation connections.

The U.S. Commercial Service, Dublin, at part of the Showcase Europe Initiative, is currently developing a Franchise Partner Search Service to assist U.S. franchisors locate Irish franchisees. The service which will be provided in cooperation with local private consultancy firms, will be highly customized to meet the needs of U.S. companies and will include a range of options such as consultation with franchise industry experts, extensive media exposure and advertising on a state-of-the-art dedicated franchise website based in Ireland. For further details of this service, please contact the Commercial Service, Dublin directly.

Data Table

	1998	1999	2000
	(USD millions)		
A. Total Sales:	601.0	649.0	732.0
B. Total Sales by Local Firms:	46.0	50.0	293.0
C. Export Sales by Local Firms:	N/A	N/A	N/A
D. Sales by Foreign-owned Firms:	410.0	443.0	439.0

E. Sales by U.S.-owned Firms:	145.0	157.0	241.0
F. Exchange Rate (USD/IEP):	0.70	0.74	0.82

Notes:

(1) The above statistics are unofficial estimates.
(2) N/A means Not Applicable

8. Drugs and Pharmaceuticals (DRG):

Ireland is one of the largest exporters of pharmaceuticals and fine chemicals in the world. The industry comprises 120 overseas companies which employ 15,000 people. The profitability of the industry is reflected in the amount of corporate tax paid to the Government of Ireland in 1999, i.e. USD266m. The sector consists of manufacturing firms producing branded drugs with a smaller number of companies producing generic products.

Seventeen of the world's top twenty pharmaceutical companies are represented in Ireland leading to a total investment of USD7b. Two of the world's most prestigious pharmaceutical products are now primarily manufactured in Ireland, i.e. Viagra by Pfizer and Lipitor by Warner Lambert. Other companies with manufacturing facilities in Ireland include Bristol Myers Squibb, Schering Plough, Proctor & Gamble and Eli Lilly. International companies tend to use Ireland as a platform from which to penetrate the lucrative European marketplace. The industry is supported by research collaborations and relevant courses are provided by local universities. Between 50 and 60 per cent of people employed at each plant are university graduates.

Within the pharmaceutical industry, the Ireland Development Agency, (IDA), has changed its focus from simply attracting companies to invest in Ireland as a base for bulk production, to one of existing companies developing their R&D activities here. The emphasis for the future will be a move away from synthetic products to biotechnology products. Opportunities exist for U.S. companies in the form of partnerships with 26 dedicated indigenous biotechnology firms.

Within the local market, where growth is approximately 6 per cent, opportunities exist for U.S. suppliers to capitalize on the strong level of receptivity for U.S. drugs and pharmaceuticals. Sales of over-the-counter (OTC) drugs are currently worth USD122m and are growing by approximatley 10 per cent per year. Future market potential remains strong as the age profile of the Irish population edges upwards over the next decade. Most promising sub-sectors include bulk pharmaceuticals, prescribed drugs, medicines and medicinal preparations and non-prescribed over-the-counter (OTC) products.

Data Table

	1998	1999 (US$ millions)	2000
A. Total Market Size:	1,252.0	1,217.0	1,049.0
B. Total Local Production	4,991.0	4,851.0	4,182.0
C. Total Exports:	4,760.0	4,627.0	3,989.0
D. Total Imports:	1,021.0	992.0	855.0
E. Imports from U.S.	80.0	78.0	67.0
F. Exchange Rate (USD/IEP):	0.70	0.74	0.82

Note: The above statistics are unofficial estimates.

9. Computer & Telecommunications Information Services (CTS):

Ireland has a developing internationally traded services sector comprised of call centers, telemarketing operations, and back-office data-processing operations. There are currently about 60 teleservices operations employing over 6,000 people based in Ireland. Internationally traded services firms have located in Ireland for four principal reasons - modern communications infrastructure, cost competitive telecommunications and labor, highly educated labor force with language and computer skills, and a low corporate tax rate.

The internationally traded services sector operates with modern telecommunication links and a multilingual labor force to pursue fast-growing, service market opportunities throughout Europe. International companies with call centers in Ireland include Dell Computers, Gateway 2000, Oxford Health Plans, IBM, UPS, Oracle, Best Western, ITT Sheraton, American Airlines, Korea Airlines, Lufthansa/United Airlines, Compaq, and AOL Bertelsman.

Data Table

	1998	1999 (USD millions)	2000
A. Total Sales:	150.0	188.0	225.0
B. Total Sales by Local Firms:	15.0	19.0	22.0
C. Export Sales by Local Firms:	NA	NA	NA

D. Sales by Foreign-owned Firms:	135.0	169.0	203.0
E. Sales by U.S.-owned Firms:	70.0	85.0	100.0
F. Exchange Rate (USD/IEP):	0.70	0.74	0.82

Note: The above statistics are unofficial estimates.

10. Building Products (BLD):

The volume of building output grew by 12 per cent in 1999. This growth was due in particular to increases in the construction of productive infrastructure such as telecommunications and water and sanitary services. Construction of social infrastructure such as hospitals and schools and residential and private non-residential construction also contributed to an increase in the volume of building output. The volume of building output is expected to grow by 9 per cent to reach over $17 billion in 2000.

The Irish building materials market is very open towards imports (50 per cent of total market demand) because about half of the import categories are not manufactured in Ireland. U.S products have consistently held the position of fifth largest supplier to this market in recent years. Most promising sub-sectors include; electrical products, wood and lumber, boards and panels, paints and varnishes, floor and wall coverings, carpentry and joinery, heating products, and timber framed housing.

Data Table

	1998	1999	2000
	(USD millions)		
A. Total Market Size:	2,100.0	2,118.0	2,048.0
B. Total Local Production	1,710.0	1,727.0	1,670.0
C. Total Exports:	640.0	647.0	626.0
D. Total Imports:	1,030.0	1,038.0	1,004.0
E. Imports from U.S.:	53.0	54.0	53.0
F. Exchange Rate (USD/IEP):	0.70	0.74	0.82

Note: The above statistics are unofficial estimates.

11. Telecommunications Services (TES):

The telecommunications sector in Ireland has seen major developments over the past three years in line with the overall liberalization trend throughout Europe. The Irish telecommunications market has been liberalized since December 1998 and is experiencing strong competition with the principal fixed line operators; Eircom, BT Esat, GTS Ireland, Worldcom, Nevada/Stentor, and Interoute/Spirit competing for market share. The GOI also completed the sale of its stake in Eircom though a public flotation in 1999. Eircom has also divested itself of its cable television subsidiary, Cablelink to NTL.

Eircell and East Digifone are the two operators driving the significant mobile telephony growth with over 1.7 million subscribers between them. GSM technology dominates the mobile sector. The third operator, Meteor, is expected to launch its service by Christmas 2000. Cable operators are about to enter the competitive arena as NTL and Irish Multichannel prepare to launch combined digital telephony, television and high-speed internet access offerings. Eircom and BT Esat dominate the ISP sector having acquired the major independent ISP operators. Free internet access is a prominent feature of the Irish ISP market. Wireless local loop licenses were issued to four companies in June 2000 and the proposed European Commission Regulation on compulsory local loop unbundling (LLU) throughout the EU is expected to facilitate increased competition in the Irish market and thereby further encourage the adoption on e-commerce through lower telecommunications charges for internet access.

The number of mobile phone subscribers is forecast to reach 2.0 million by 2001. The GOI is already preparing for the launch of third generation mobile telephony with the announcement of a UMTS license competition in October 2000.

Data Table

	1998	1999	2000
	(USD millions)		
A. Total Sales:	1,340.0	1,484.0	1,543.0
B. Total Sales by Local Firms:	1,300.0	1,410.0	1,445.0
C. Export Sales by Local Firms:	NA	NA	NA
D. Sales by Foreign-owned Firms:	40.0	75.0	98.0
E. Sales by U.S.-owned Firms:	20.0	27.0	37.0
F. Exchange Rate (USD/IEP):	0.70	0.74	0.82

Note: The above statistics are unofficial estimates.

12. Telecommunications Equipment (TEL):

Ireland's telecommunications infrastructure is highly digitalized and all operators are investing in digital network infrastructure. Broadband is the hot topic in Irish telecommunication circles at present. In order for Ireland to compete in the information age, a universally accessible broadband network is now required together with very high capacity international links for new users. Every operator is currently investing in broadband infrastructure in order to meet anticipated requirements. Synchronous Digital Hierarchy (SDH) technology is increasingly being used in the Irish backbone network infrastructure as it is well-suited to the administration of higher transmission rates and provision of broadband services. Public ATM switches are being installed and, together with the extensive trunk fiber network, a national broadband network is being rolled out. The operators are also testing ADSL technology in preparation for a roll-out to customers by the end of 2000. Eircom has also been promoting ISDN services strongly in recent months after many years of slow uptake of the technology.

In the mobile sector, both operators have launched wireless application protocol (WAP) services [50,000 subscribers] as a prelude to the implementation of GPRS technology in 2001. The Irish Telecommunications Regulator has announced that four UMTS (3G) mobile licenses will be awarded in 2001 following a 'beauty contest' licensing competition. These networks will facilitate the development of mobile internet and wireless commerce (m-commerce).

A key element of the Irish Government's e-commerce strategy has been to expand high-speed Internet connectivity, while sharply lowering costs. This is being achieved through the Global Crossing and Network360 projects that will connect Ireland to the main U.S. Internet backbone. In a $80 million project underwritten by the Irish government, U.S. company Global Crossing has laid a 40-gigabit per second (160 STM-1 circuits) pipeline connecting Ireland with its international network. The project was designed to assure multinational companies that Ireland has enough bandwidth to support the operation of their e-commerce activities.

While the supply of all terminal equipment is deregulated, all products being connected to the public network must have approval from the Irish Director of Telecommunications Regulation.

Data Table

	1998	1999	2000
	(USD millions)		
A. Total Market Size:	335.0	348.0	348.0

B. Total Local Production	400.0	416.0	415.0
C. Total Exports:	322.0	335.0	333.0
D. Total Imports:	257.0	267.0	266.0
E. Imports from U.S.:	21.0	22.0	22.0
F. Exchange Rate (USD/IEP):	0.70	0.74	0.82

Note: The above statistics are unofficial estimates.

13. Process Controls - Industrial (PCI):

Process control instruments comprise an integral element of Irish manufacturing processes. The principal end-user segments are the chemical, pharmaceutical, food processing, and gas and power generation industries. Within the food processing industry, 83% of installations use computer technology. Among these companies, process control is the most common application with 87% of companies stating this usage. The pharmaceutical sector has 40 international manufacturing subsidiaries. There is an estimated replacement cost of $3.3 billion on capital investment in this sector. More significantly, upwards of $125 million is reinvested annually by local pharmaceutical firms. Most promising sub-sectors include; programmable logic controllers, control valve systems, pressure gauges, and thermostats.

Data Table

	1998	1999	2000
	(USD millions)		
A. Total Market Size:	203.0	203.0	203.0
B. Total Local Production	173.0	172.0	171.0
C. Total Exports:	57.0	57.0	56.0
D. Total Imports:	87.0	88.0	88.0
E. Imports from U.S.:	20.0	20.0	21.0
F. Exchange Rate (USD/IEP):	0.70	0.74	0.82

Note: The above statistics are unofficial estimates.

14. Household Consumer Goods (HCG):

Growth in the household consumer products market closely corresponds with trends in consumer spending. In 1999, consumer confidence remained strong and as a result consumer spending increased by 7.8 per cent in real terms. This substantial growth reflected strong real disposable income growth, further gains in employment and robust consumer confidence which was reinforced by the positive economic environment.

Retail sales figures show Ireland has been gripped by an unprecedented boom in consumer spending. Retail sales in April were up 21.6 per cent in value terms and 17.2 per cent in volume terms compared to the same month last year. The Central Statistics Office has described this increase as the biggest rise in Irish consumer spending of all time.

Consumer spending growth in 2000 remains strong at 6.8 per cent, as real disposable incomes experience continued growth as a result of pay increases, income tax cuts and low interest rates. The low interest rates have fuelled borrowing which is up by more than a third in twelve months. The amount of credit per person in the economy is now USD25,010, up from about USD8,540 five years ago.

The positive future economic outlook for Ireland should lead to positive consumer spending growth through the year 2001. However inflation, which reached a fifteen year monthly high of 5.2 per cent in April is overhanging the economy and may at some point impact on consumer spending.

Imports hold a 44 per cent share of the Irish household consumer goods market. In recent years, U.S. products have achieved a 5 per cent share of the import market. With a young growing population and 80per cent of homes privately owned, this market represents long term growth potential. Local agents and distributors attend the major international trade fairs in the sector. These firms are continually seeking new and innovative products to launch on the Irish market. Most promising sub-sectors include domestic electrical appliances, ceramic products, hand tools, metallic cookware, plastic housewares, and lawn mowers.

In 1995, Enterprise Ireland (formerly the Irish Trade Board) published a 15-product sector directory of identified market opportunities which not only present opportunities for indigenous Irish entrepreneurs, but equally introduce a range of researched sectors in which U.S. firms can discuss potential joint ventures with various Irish partners. These sectors include: furniture, soft furnishings, housewares, DIY/hardware, giftware, jewelry, toiletries and cosmetics, non food groceries, clothing, footwear, toys, stationery, music/books, sports goods, and leisure products. Copies of these reports may be obtained from Ireland Market Department, Enterprise Ireland, Merrion Hall, Strand Road, Sandymount, Dublin 4. Plans are underway to update these reports during 2000.

Data Table

	1998	1999	2000
	(USUSD millions)		
A. Total Market Size:	507.0	509.0	506.0
B. Total Local Production	426.0	428.0	425.0
C. Total Exports:	223.0	224.0	223.0
D. Total Imports:	304.0	305.0	304.0
E. Imports from U.S.:	17.0	17.0	17.0
F. Exchange Rate (USD/IEP):	0.70	0.74	0.82

Note: The above statistics are unofficial estimates.

15. Pollution Control Equipment and Services (POL):

There is a growing market for environmental technology equipment and services in Ireland. Demand is being driven by the ever-increasing level of environmental legislation emanating from the European Union. As the high quality of Ireland's environment has been one of the country's greatest national assets, environmental protection has a high priority on the Irish Government's public policy agenda.

Planned investment in the environmental services sector under the NDP is about $4.6 billion. The focus of this investment is on water supply, wastewater treatment, and waste management. About 70% of the planned investment will be in water supply and wastewater treatment. It is envisaged that a significant amount of the waste management infrastructural investment will be undertaken through Public Private Partnership (PPP) arrangements.

As EU regulations on environmental protection are implemented locally and the Irish Government's Operational Program for Environmental Services is executed, demand for environmental technology equipment and services is forecast to achieve strong growth in the near future.

Data Table

	1998	1999	2000
	(USD millions)		
A. Total Sales:	287.0	385.0	417.0
B. Total Sales by Local Firms:	230.0	308.0	322.0
C. Export Sales by Local Firms:	NA	NA	NA
D. Sales by Foreign-owned Firms:	57.0	77.0	85.0

E. Sales by U.S.-owned firms:	6.0	8.0	9.5
F. Exchange Rate (USD/IEP):	0.70	0.74	0.82

Note: The above statistics are unofficial estimates.

B. BEST PROSPECTS AGRICULTURAL GOODS - IRELAND FY 2001

It should be noted that, due to the ease of transshipment of goods within the European Union, official trade data may not be complete. Therefore, data on total market size may be understated.

1. Brewers or distillers dregs and waste:

Ireland imports significant amounts of feed ingredients to supplement native grown grain and grass-based animal feeds. While over the past few years quantities imported have declined considerably as a result of lower consumption in the beef cattle sector. Low prices for cattle result in producers reducing the use of non-grass based feed ingredients in the winter months. Nevertheless, while in decline, large quantities of corn gluten feed (CGF) and other byproducts of the brewing industry such as corn sprout pellets continue to be imported. While U.S. suppliers dominate imports, competition for the market is intense with Canadian and South American supplies available. Importers are also prepared to substitute with Asian-source feed ingredients if there is a price advantage.

In addition to brewers dregs and wastes, Irish importers import significant quantities of soybean and other feed grains.

Data Table

	1998	1999 (metric tons)	2000
A. Total Consumption:	188,690	178,709	185,000
B. Total Local Production	Nil	Nil	Nil
C. Total Exports:	1,831	7,722	5,000
D. Total Imports:	190,521	186,431	190,000
E. Imports from U.S.:	163,287	172,006	175,000

Note: The above statistics for 2000 are unofficial estimates

2. Pears:

Given its temperate climate, Ireland must import all of its tropical, citrus, and other out-of-season fruit. Opportunities exist for year-round imports of all fruit, particularly oranges, grapefruit, pears and grapes. Strong marketing of U.S. pears has made Irish consumers aware of the availability and quality of U.S. produce. A similar effort for U.S. apples is now underway and is producing encouraging results. Further marketing efforts could increase opportunities for exports of other fruits to Ireland. However, many exporters such as those in southern EU member states, North African countries, and South Africa are extremely active and price competitive in the marketplace.

Data Table

	1998	1999 (metric tons)	2000
A. Total Consumption:	6,197	7,230	7,800
B. Total Local Production	Nil	Nil	Nil
C. Total Exports:	76	371	200
D. Total Imports:	6,273	7,691	8,000
E. Imports from U.S.:	284	401	440

Note: The above statistics for 2000 are unofficial estimates.

3. Wine:

The Irish wine market continues to grow. Latest estimates indicate that in the five months to May 2000, imports have increased by over 12 percent compared to the same period in 1999. Wine sales have since 1993 increased annually with each annual increase surpassing year earlier levels. It is estimated that nearly 45 percent of the population now drink wine as compared to 28 percent in 1990. In addition sales of white and red wine are broadly similar.

U.S. wine exports to Ireland continue to grow. From being a relatively unknown source of wine in the early 1990's, the U.S. has now grown to be a significant source for Irish wine importers and U.S. labels now hold an 11 percent market share. The success of U.S. wine can be attributed to strong marketing by a small number of labels aimed at the popular price bracket. Wines exporters should try to build on the favorable market reaction which U.S. wines currently enjoy. Irish importers continue to seek out new labels, and as many of the wines currently on sale in Ireland originate from California, opportunities exist for wines from other states.

Exporters should note however that there is active competition among exporting countries. Main competition continues to be from labels from EU countries, Australia and New Zealand. Strong marketing by Chilean and especially South African labels during the past few years resulted in increased market shares for these wines. Marketing efforts of exporters should also include point of sale material which helps consumers focus attention on labels. Many wineries also include marketing promotions such as competitions to gain a customer base especially for wines at the inexpensive sector of the market. Exporters should also note that as excise duties are quite high in Ireland, an inexpensive wine at winery level may in fact become relatively expensive when it reaches retail level.

Data Table

	1998	1999 (kiloliters)	2000
A. Total Consumption:	32,809	39,907	43,600
B. Total Local Production	Nil	Nil	Nil
C. Total Exports:	1,220	430	400
D. Total Imports:	34,029	40,337	44,000
E. Imports from U.S.:	3,483	4,586	4,900

Note: The above statistics for 2000 are unofficial estimates.

C. SIGNIFICANT INVESTMENT OPPORTUNITIES - IRELAND FY 2001

With the significant economic growth experienced by Ireland in recent years, significant investment opportunities have emerged as the Irish government seeks to investment in its economic and physical infrastructure to maintain future economic growth. At the same time, the current GOI is adopting EU policies on the liberalization of its telecommunications and energy sectors and has developed significant privatization plans in the communications, energy and transportation sectors.

As outlined in Chapter II, the Irish Government's National Development Plan 2000-2006" (NDP) outlines spending plans of about $50 billion aimed at eliminating barriers to sustained growth in its fast growing "Celtic Tiger" economy. Over the next five to seven years, the National Development Plan will provide excellent business opportunities for American companies willing to take a long-term view to this market.

In a major change in direction, the Government of Ireland (GOI) has signaled that it will seek to attract the participation of non-Irish, including U.S., firms to participate in the National Development Plan. This major change in government policy, which was announced by Prime Minister Bertie Ahern is an acknowledgement that, because of the "Celtic Tiger", Irish construction and engineering firms will not be able to meet the objectives of the 2000-2006 National Development Plan (NDP). This new policy is expected to open the market for non-Irish competitors, as tenders will focus on larger contracts and Public Private Partnership (PPP) projects.

An overview of the Ireland National Development Plan 2000-2006 and a series of individual industry sector reports have been prepared by the U.S. Commercial Service at the U.S. Embassy in Dublin (CS-Dublin). These reports are available through the U.S. Commercial Service website: www.usatrade.gov. They are the first in a series of market intelligence reports being prepared by CS-Dublin during 2000 and 2001 that will detail major project opportunities over the duration of the NDP. The reports will assist U.S. companies in identifying business opportunities and how to take advantage of them.

While the high level of U.S. business activity in the Irish economy should indicate a strong acceptance toward U.S. firms and their products, competition in infrastructure and other major projects is intense, especially from European competitors. American companies can expect to experience intense international competition on major project tenders in Ireland.

C1. NDP-Related Sectors

The following are brief overviews of several industry sectors and potential major projects that will be funded within the NDP over the next seven years which will offer business opportunities for U.S. companies.

(A) Transportation

Planned investment in the transportation sector under the National Development Plan is about $9 billion over the next seven years. The dual focus of this investment is the development of a quality national road network and an effective public transportation network throughout the country. Over 60% of the planned investment will be in roads, and 32% in public transportation initiatives. Management of this $9 billion investment rests primarily with the Department of Environment and Local Government. However, operational responsibilities will rest with a number of bodies including the National Roads Authority, the National Transportation Authority (CIE) and local government authorities. In addition, the GOI has established a Cabinet Committee on Infrastructure Development to oversee the delivery of infrastructure projects in the National Development Plan.

Total planned investment in national roads under the NDP is about $5.7 billion of which $1.3 billion will be in Public Private Partnership (PPP) projects. Some $2.1 billion (36%) will be invested on national roads within the BMW Region and $3.7 billion (64%) in the S&E Region. The development strategy for regional public transportation will include investments of some $650 million on projects supporting the national rail network and $178 million on projects in support of the national bus system.

The development strategy for public transportation in the Greater Dublin Area will include a $1.2 billion light rail project (LUAS), $240 million investment in the Dublin suburban rail network, and $156 million investment in the Dublin bus network. The LUAS project will consist of 3 lines (A/B/C) which are to be operated under a public-private partnership format. Construction has started on Line A (Tallaght-Dublin City Center) and it is expected to be operational by 2003. However, there is growing concern that the LUAS plans may not be sufficient on their own to cater for the rapid growth of Dublin. Consequently, strong consideration is been given to a proposal to construct an underground rail (metro) system in the city. Due to the massive investment required for such a system, it is envisaged that the PPP format will be applied to the metro project.

(B) Healthcare

Under the NDP, some $2.8 billion has been set aside to address the capital needs of health services of which 30% has been allocated to the BMW Region and 70% to the S&E region. In addition, EU funding of approximately $42 million has been allocated for training people with disabilities and for voluntary services.

In the BMW Region, there will be particular emphasis on redressing inequities or imbalances that have arisen because of the higher dependency ratio, the lower population density and the less developed transport infrastructure. In the S&E region, emphasis will be placed on problems arising from larger centers of population, e.g. problems relating to drug use and homelessness.

This is the first time that health services have been included in a national development plan, and it is anticipated that the overall investment will result in the reduction of hospital waiting lists through the provision of additional capacity in surgical specialties such as orthopedics, ENT, and vascular surgery.

Major projects in the Health Care Sector include:

(1) New Mater/Temple Street Hospital, Dublin – Estimated Value: $45 million
(2) James Connolly Memorial Hospital, Blanchardstown, Dublin, Extension - $84 million
(3) Cork University Hospital, New radiology and maternity facilities - $49 million

(4) Cork University Hospital, Replacement of Equipment – $12 million
(5) Limerick Regional Hospital, Development of 2nd phase - Value: not available (n/a)
(6) Galway Regional Hospital, Development of 2nd phase – Value: n/a
(7) Sligo General Hospital, Refurbishment and upgrading of facilities – Value: n/a
(8) Six regional assessment centers for those with physical and sensory disabilities – Value: n/a.
(9) Dental: Regional oral surgery and maxillo-facial unit in Dublin – Value: n/a.

(C) Tourism:

The Irish Government's plan for the tourism industry is to increase visitor numbers to Ireland to in excess of 8 million by 2006 with employment in the sector rising by about 50,000 to 177,000. Some $210 million will be spent on tourism marketing; $140 million will be allocated to CERT, the State catering/hospitality-training agency and $24 million will be allocated for ongoing training in tourism. The emergence of Dublin as Europe's most popular city destination, facilitated by the intense competition in airline travel, is the primary reason for stronger growth in the tourism industry. Traditionally, because of the diversified nature of the Irish tourism sector and the proliferation of small firms, the level of industry investment in marketing has been low.

Under the NDP some $82 million has been allocated to tourism development in the BMW Region. This region currently lacks a sufficient endowment of the necessary infrastructure, attractions and visitor facilities to attract tourists. Opportunities exist in a combination of outdoor pursuits including cycling, walking, angling and marine and water sports. There is also potential to develop facilities for conferences and short-stay breaks which already help to extend the length of the tourism season in the S&E region. There will be a specific focus on water-based tourism and the leisure sector, while access infrastructure and integrated product development have been identified as requiring investment.

In the S&E region, a total expenditure of $105 million is planned. Continuing growth of special-interest tourism includes activities such as cycling, trekking and water-based leisure pursuits. In addition, opportunities exist for proposals to build up regional "clusters" of attractions and facilities and to support environmental initiatives designed to tackle congestion, traffic/visitor management, visitor flows to islands, innovative litter control, training and awareness, as well as area-based projects integrating tourism and the environment.

Coastal erosion poses a serious threat to public infrastructure and tourist amenities. Total expenditure over the period of the NDP will be $49 million, (comprised of $42 million on actual works and $7 million on research). Fee-paying attractions have experienced an upsurge in visitor numbers in recent years. From 1992 to 1996 there was a 68.5 per cent increase in the number of such visitors.

Major Projects in the Tourism Sector include:

National Convention Center – Estimated value: $98 million -- The National Development Plan 1994 – 1999 contained proposals to invest in a national convention center. The center is currently under local planning process review and is subject to EU funding. The project has been awarded to the Treasury Holdings Group and forms part of the large scale Spencer Dock Development in the Dublin Docklands area.

Historic Estate Development -- Carten House – $9.8 million (EU-funded); Development of Carten House estate in Maynooth, Co. Kildare

(D) Environment

Planned investment in the environmental services sector under the NDP is about $4.6 billion. The focus of this investment is on water supply, wastewater treatment, and waste management. About 70% of the planned investment will be in water supply and wastewater treatment. It is envisaged that a significant amount of the waste management infrastructural investment will be undertaken through Public Private Partnership (PPP) arrangements. Management of this $4.6 billion investment primarily rests with the Department of Enterprise and Local Government. However, operational responsibilities will remain with local government authorities.

Total planned investment in water and wastewater treatment facilities under the NDP is $3.2 billion of which $0.13 billion will be in Public Private Partnership (PPP) projects. An indicative $2.3 billion (72%) in the Southern & Eastern (S&E) Region and an indicative $0.9 billion (28%) will be invested on projects within the Border, Midlands, and Western (BMW) Region. The investment will provide for the construction of all the outstanding schemes required under the EU Urban Waste Water Treatment Directive, including the Dublin Bay Project, and the Cork Main Drainage Project, and also major schemes in Swords, Waterford, Limerick, Wicklow, Sligo, Westport, and Letterkenny. (It should be noted that both the Dublin and Cork Projects have progressed through the main tender stages). In addition, the plan will provide for investments in water supply focused on extending treatment and distribution capacity in the major urban areas and on conservation of water through leakage detection and mains rehabilitation and replacement. Investment will be made in replacing of lead piping in public water supply systems.

Total planned investment in waste management projects under the NDP is $0.85 billion of which $0.6 billion will be in Public Private Partnership (PPP) projects. An indicative $0.54 billion (64%) will be invested in the S&E Region and an indicative $0.31 billion (36%) in the BMW Region. No specific projects have yet been identified as all local authorities are currently undertaking a comprehensive waste management planning exercise which will identify infrastructural and investment requirements necessary to provide an integrated waste management infrastructure countrywide.

C2. Non-NDP Sectors

(A) Aerospace/Defense – Search & Rescue (SAR) Helicopters

The Irish Air Corps are currently seeking proposals for the provision of two medium-range search and rescue (SAR) helicopters. The estimated value of this project is $40-50 million. Initial expressions of interest are due by early October 2000 and the contract is likely to be awarded by Summer 2001.

(B) Information & Communications Technology

Ireland's telecommunications infrastructure is highly digitalized and all operators are investing in digital network infrastructure. Broadband is the hot topic in Irish telecommunication circles at present. In order for Ireland to compete in the information age, a universally accessible broadband network is now required together with very high capacity international links for new users. Every operator is currently investing in broadband infrastructure in order to meet anticipated requirements. Synchronous Digital Hierarchy (SDH) technology is increasingly being used in the Irish backbone network infrastructure as it is well-suited to the administration of higher transmission rates and provision of broadband services. Public Asynchronous Transfer Mode (ATM) switches are being installed and, together with the extensive trunk fiber network, a national broadband network is being rolled out. The operators are also testing Asymmetric Digital Subscriber Line (ADSL) technology in preparation for a roll-out to customers by the end of 2000. Eircom has also been promoting ISDN services strongly in recent months after many years of slow uptake of the technology.

Further intense competition in the Irish telecoms market is anticipated with the impending compulsory local loop unbundling (LLU) in line with the proposed European Commission Regulation. In March 2000, the Irish telecoms regulator had announced limited LLU (bitstream access) for 2001. However, this proposal will be superseded by the European Commission's proposed Regulation on LLU if the latter is passed by the European Parliament and Council in late 2000.

In the mobile telephony sector, the two incumbent operators have launched wireless application protocol (WAP) services [50,000 subscribers] as a prelude to the implementation of GPRS technology in 2001. The third mobile network is expected to launch in December 2000. The Irish Telecommunications Regulator has announced that four UMTS (3G) mobile licenses will be awarded in 2001 following a 'beauty contest' licensing competition. These networks will facilitate the development of mobile internet and wireless commerce (m-commerce). The Telecom Regulator has also announced an intention to award a national Tetra license in 2001 following a licensing competition.

C3 Privatization/Liberalization:

(A) Aerospace

The GOI has decided, in principle, to sell its entire shareholding in the State airline, Aer Lingus. In June 2000 the Minister for Public Enterprise published the "Aer Lingus Bill 2000," which provides the legislative platform for the initial public offering (IPO) of shares in a privatized Aer Lingus. The Irish Government has signaled that, depending on prompt legislative action on this bill, it may be possible to complete the offering towards the latter part 2000 or early 2001 depending on market conditions. The stock market capitalization of Aer Lingus is likely to be in the range $488 – $915 million.

(B) Transportation

In its liberalization proposals for the public transportation sector, the GOI has signaled that Dublin Bus is to be privatized and the entire bus network in the Greater Dublin area is to be subject to competitive tendering by 2007. Iarnrod Eireann (Irish Rail) is to be divided into two companies, one providing railway track and infrastructure, and the other operating railway services. Franchises to operate some rail services and to maintain the track are likely to be given to the private sector, and new rail lines are likely to be operated under public-private partnership arrangements.

(B) Energy

The energy sector in Ireland is experiencing a period of significant change. Faced with ever-increasing energy demand, declining indigenous energy resources, and an evolving EU policy on energy, the Irish Government (GOI) is implementing a comprehensive policy for the future development of the Irish energy sector. The principal measures implemented by the GOI have been the establishment of the Commission for Electricity

Regulation (CER), the partial opening (28%) of the electricity market to competition in February 2000, and a Green Paper on Sustainable Energy.

The partial opening of the electricity market has seen strong interest being expressed by prospective international power producers in participating in this liberalized market. The gas sector has also seen developments with reports of a potentially significant gas find in the Corrib Field off the West Coast of Ireland. In addition, there are three separate proposals to construct new gas pipeline interconnectors between Ireland and the U.K.

Three themes underpin current developments in Irish energy policy, namely; the liberalization of the electricity and gas markets in line with EU Directives and programs, the achievement of Ireland's targets for reducing greenhouse gas emissions under the Kyoto Protocol, and energy security, in particular the need to create diversity in the fuel mix. Ireland imports some two-thirds of its domestic energy requirement. The two principal indigenous energy sources are peat and natural gas, however, both appear to be in steady long-term decline. Ireland is relatively isolated from the European energy network as a gas interconnector to the UK and a recommissioned electricity interconnector with Northern Ireland represent the country's only international energy connections.

The GOI has an evolving privatization plan as EU integration and the challenges of a global economy are the engines that are propelling Ireland to liberalize its state-owned industries. Public and business leaders in Ireland generally support privatization of government-owned industries and organized labor now recognizes the need for privatization and more market control in the communications, transportation, and energy industries, as long as the government still retains a regulatory role. In the energy sector, the ESB board of directors will report to the Minister on its future strategic direction in September 2000. It is believed that this report will contain proposals to initiate a privatization process in 2001. Bord Gais Eireann is also undertaking a strategic review which may result in its privatization in 2002.

Addendum

The Government of the United States acknowledges the contribution that outward foreign direct investment makes to the U.S. economy. U.S. foreign direct investment is increasingly viewed as a complement or even a necessary component of trade. For example, roughly 60 percent of U.S. exports are sold by American firms that have operations abroad. Recognizing the benefits that U.S. outward investment brings to the U.S. economy, the Government of the United States undertakes initiatives, such as

Overseas Private Investment Corporation (OPIC) programs, Bilateral Investment Treaty negotiations, and business facilitation programs that support U.S. investors.

CHAPTER VI

TRADE REGULATIONS AND STANDARDS

Ireland has been a member of the European Union (EU) since January 1, 1973. The EU is a customs union having free trade among the 15 Member States, while levying a common tariff on imports coming from non-EU countries such as the United States. The EU also has a common agricultural policy, joint transportation policy, and free movement of goods and capital within Member States. Other aspects of commercial activity are being harmonized.

Under agreements reached between the 15 EU member states and the remaining four members of the European Free Trade Association (EFTA), duty-free trade for industrial products has been achieved between the 15 EU and 3 EFTA countries. Taxes, such as the value-added tax (VAT) and excise taxes, are levied in the country of final destination. There has been some degree of harmonization of VAT rates between Member States.

In addition to the EFTA countries, Ireland and the other EU nations extend preferential tariff treatment to certain other countries and territories with historical ties to the EU and to less developed countries in Africa, the Caribbean, and the pacific regions. The granting of reduced tariffs to developing countries is sanctioned and administered under the Generalized System of Preferences (GSP).

Trade Barriers

As a member of the EU, Ireland administers tariff and non-tariff barriers in accordance with applicable EU policies. With regard to services trade, Ireland maintains a limited number of barriers in the aviation and financial services industries. In the aviation industry, airlines serving Ireland may provide their own ground handling services, but are prohibited from providing similar services to other airlines. Meanwhile, the banking and insurance sectors of the financial services industry are regulated to the extent that they are supervised by the Central Bank of Ireland and the Department of Enterprise, Trade and Employment respectively. There is speculation that the government will appoint a single financial regulator within the next eighteen months.

Import Duties

Ireland applies the EU tariffs (customs duties), which are based on the international Harmonized System (HS) of product classification. Duty rates on manufactured goods from the United States generally range from five to eight percent and are usually based on the c.i.f. value of the goods at the port of entry. The c.i.f. value is the price of the goods (usually the sales price) plus packing costs, insurance, and freight charges to the port of entry. Most raw materials enter duty free or at low rates. For information on EU duty rates of manufactured and industrial products, contact the U.S. Department of Commerce, International Trade Administration's (ITA) Office of European Union and Regional Affairs (OEURA), phone: (202) 482-5276.

Exporters should be aware that, in accordance with EU regulations, agricultural and food items are often subject to import levies which vary depending on world market prices. The rates are based on the composition of foods and in particular some packaged foodstuffs can be affected. Irish importers are familiar with the operation of these levies and will be able to provide U.S. exporters with the current rates. More information on import levies may be obtained from the Office of Agricultural Affairs, U.S. Embassy, Dublin. (Contact details are listed in Chapter XI).

The Harmonized System (HS) is a system designed to classify goods in international trade for customs purposes and for developing trade statistics. It is arranged into 99 chapters according to categories such as agriculture, chemicals, chief material of the product, or type of manufacturing industry. The HS classification number consists of a minimum of six digits, which are common to all countries using the system. Additional digits can be used to meet each nation's individual statistical requirements and give greater detail as needed. If an HS number is requested of a U.S. exporter by an Irish importer, this information may be obtained from a U.S. Department of Commerce Export Assistance Center (EAC) (www.usatrade.gov); or, the Office of European Union and Regional Affairs (OEURA), phone (202) 482-5276 in the U.S. Department of Commerce, Washington, D.C.

Quotations

Sales quotations are usually given on a c.i.f. basis. This is the sales price plus costs, insurance, and freight (c.i.f.) to point of importation. The c.i.f. quote is generally preferred by Irish importers as they are familiar with the customs charges and taxes on the product that are levied at the time of importation, but may not be acquainted with U.S. trucking and ocean or air charges. Large firms and department stores, however, sometimes buy on f.o.b. terms when they prefer to arrange for shipping and insuring the goods themselves. Quotations and invoicing are usually in terms of the currency of the country of origin.

Merchandise may be examined by the importer before customs clearance for the purpose of completing an inventory. Goods cannot clear customs without shipping documents and payment of any customs duty, applicable value-added taxes, and any excise taxes. These formalities must be undertaken by the importer at the time of clearing customs. Import licenses, if required, should be presented by the importer within the valid period for which they were issued.

Goods in Transit

Goods may clear customs with an EU transit procedure that provides for the issuance of a single transit document under which the goods may be easily shipped across frontiers of the EU member states. These transit documents are completed by the importer. The transit document provides the basis for a single, comprehensive procedure covering the goods within the EU. Since this is an EU procedure, the European importer, customhouse broker, freight forwarder, or shipper must prepare these documents at point of entry into the EU region.

Free Trade Zones

The Shannon Free Trade Zone, located at the Shannon International Airport, is the world's oldest free zone and was established in 1947. This facility is attractive as an international distribution and warehouse center serving Western Europe because it provides the unique combination of a custom-free industrial zone and direct access to air and surface transport to the United Kingdom and other European markets. Raw materials and partly or completely manufactured products may be imported into the free zone in any quantity and held there without payment of duties or taxes. Processing, sorting, grading, or repackaging of the goods may take place within the zone, and buildings may be leased or built. As sales require, the goods held in the free zone may then be withdrawn from inventory and reexported to other countries or imported into Ireland for consumption after payment of appropriate duties, value-added taxes, and excise duties. If the goods are reexported to another country, duties and taxes, as appropriate, will be payable in that country.

The principal advantages of the free zone to American firms are the existence of a European base of supply to assure customers prompt delivery and service, the ability to maintain inventory at low cost, and eligibility for the reduced 10 percent corporate tax rate in Ireland.

Warehousing

Adequate warehousing facilities are available in major Irish cities. Bonded warehouses are operated in Dublin, Cork, Limerick, Waterford, and Galway. The Dublin Port and Docks Board maintains the largest warehousing organization in the country. In addition to storage facilities, the Board provides services needed by distributors such as packing, sorting, bottling, and transport service. Imported goods liable to a duty may be stored in a bonded warehouse in the port area or other locations without payment of duties or taxes. The goods may remain there until needed, at which time they are cleared for Irish consumption by payment of duties and taxes, or sent to the country of destination. Certain types of processing are allowed in the bonded warehouses under official supervision.

Inwards and Outwards Processing

Inwards processing is the temporary importation of raw materials or products for additional manufacture or processing. Merchandise imported for additional processing and eventually reexported out of the EU is eligible for customs-free treatment. The reexported goods may be partly or totally processed. Irish import duties and taxes are levied only on those goods that are not reexported for final sale in the EU.

To qualify for inwards processing, the Irish, or EU firm must satisfy customs that it is necessary to use imported goods instead of EU goods; state the intention to export products manufactured from the imported goods (or equivalent goods available in the EU); and assure that, upon reexportation, the conditions set forth in the authorization are satisfied, the exported goods are accounted for, and the entered goods are identifiable and relate to specific importations.

In outwards processing, an Irish firm may export goods for further manufacture or processing from the EU customs area and then re-import the final product. Duties and taxes are levied on the increased value added by the expatriate manufacturing or processing when the goods are returned to Ireland, not upon the total value of the product. Only firms located in Ireland or another EU country are eligible to take advantage of this option and should first gain approval by the Irish customs authorities.

Samples and Advertising Materials

Ireland participates in the International Convention to Facilitate the Importation of Commercial Samples and Advertising Materials. Samples of negligible value imported to promote sales are accorded duty-free and tax-free treatment. Prior authorization is not required. To determine whether the samples are of negligible value, their value is compared with that of a commercial shipment of the same product. Granting of duty-free status may require that the samples be rendered useless for future sale by marking, perforating, cutting, or other means.

Imported samples of commercial value may be granted a temporary entry and exemption from customs charges. Security is required in the amount of duty and tax chargeable increased by 10 percent. Samples may remain in the country for up to one year. They are not permitted to be sold, put to their normal use (except for demonstration purposes), or utilized in any manner of remuneration. Goods imported as samples may be imported only in quantities constituting a sample according to normal commercial usage.

Carnets

As a result of various customs conventions, simplified procedures are available to U.S. business and professional people for the temporary importation of commercial samples and professional equipment for display or demonstration. A carnet is a customs document that facilitates customs clearance for temporary imports. With the carnet, goods may be imported without the payment of duty, tax, or additional security. It also may save time since formalities are all arranged before leaving for the international business trip. A carnet is usually valid for one year from the date of issuance. The cost ranges from USD120 to USD250. A bond or cash deposit of 40 percent of the value of the goods covered by the carnet is also required. This will be forfeited in the event the products are not reexported and duties and taxes are not paid.

Carnets are issued in the United States by the U.S. Council for International Business. Further information is available from Ms. Cynthia Duncan, Marketing Manager, U.S. Council for International Business, 21st Floor, 1212 Sixth Avenue, 48 Street, New York, NY 10036, phone: (212) 354-4480, fax: (212) 575-0327, Internet: http://www.uscib.org.

Advance rulings from Irish Customs

Prior to signing a long-term contract or sending a shipment of considerable value, it may be prudent for a U.S. exporter to first obtain an official ruling on the customs classification, duty, and taxes. Such requests should be sent to: The Office of the Revenue Commissioners, Division IV, Dublin Castle, Dublin 2. The request should describe the product, the material from which it is made, and other details needed by customs authorities to classify the product correctly. While customs will not provide a binding decision, the advance ruling usually will be accepted if the goods are found to correspond exactly to the sample or description provided.

Value-added Tax

The valued-added tax, most frequently called by its acronym VAT, is charged on the sale of goods and services within the country. Unlike the customs duty, which is the same for all EU member countries, the VAT is established by the tax authorities of each country and differs from country to country. At each stage of the manufacturing and distribution chain, the seller adds the appropriate amount of VAT (tax on the amount of value that the seller added to the product, plus the amount of VAT passed on to the seller by the supplier) to the sales price. The tax is always quoted separately on the invoice. This process repeats itself at each stage until the product is sold to the final consumer, who bears the full burden of the tax. In Ireland, the standard VAT rate is 21 percent. Every second month, all firms based in Ireland who are registered for VAT purposes subtract the VAT paid on the purchases of goods and services from the VAT collected on sales and remit the balance to the government.

For imports into Ireland, the VAT is levied at the same rate as for domestic products or transactions. The basis on which the VAT is charged on imports is the c.i.f. value at the port of entry, plus any duty, excise taxes, levies, or other charges (excluding the VAT) collected by customs at the time of importation. This total represents the value of the import when it clears customs. The importer is liable for payment of customs duties, VAT, and any other charges at the time of clearing the goods through customs. Exports from Ireland are exempt from VAT since they are not consumed in the country and will be subject to any tax in the country of destination. Temporary imports that will be reexported are not subject to the VAT. The importer may have to post a temporary bond for the amount of the customs duty and taxes as security which will be canceled when the goods are taken out of the country.

Excise Taxes

Excise taxes are levied on a limited number of products such as gasoline and diesel fuel, spirits, beer, wine, bottled water, cider and perry, tobacco, motor vehicles, and liquid petroleum gas. The excise rates vary, depending on the products. The tax is imposed whether the goods are manufactured in Ireland or imported from EU or non-EU countries. Duties on excise goods imported from non-EU countries may be collected at the point of importation or when the goods are subsequently removed from a bonded warehouse. The excise tax is in addition to any customs duty or VAT. For trade within the EU, the duties are collected in the Member State of consumption. Special arrangements operate to allow excise goods to move duty free between the Member States and to collect the duty in the country of consumption. Firms wishing to manufacture goods subject to excise tax in Ireland must first obtain a license from the Office of the Revenue Commissioners. Premises may be approved to receive and store certain excise goods without payment of duty. This approval allows the deferral of duty on goods while they are being worked on or stored. Authorization may be obtained to import goods without the payment of tax to undergo processing and re-exportation.

Shipping Documents

Shipments to Ireland require one copy each of the bill of lading (or air waybill) and the commercial invoice for customs clearance. There are no consular requirements, but certificates of origin may be required as set out below.

U.S. Customs also requires two copies of the U.S. Shipper's Export Declaration (U.S. Department of Commerce Form 7525V) for goods valued at $1,500 or more. A declaration form must be completed for all shipments by regular mail or parcel post valued at $500 or more. The form must include the harmonized commodity number of the exported product as well as the weight stated in metric units. When sending goods through the mail, the exporter should inquire at the post office as to the proper documentation needed for mail shipments. For additional information or assistance on export documentation, exporters should contact their local U.S. Department of Commerce International Trade Administration Export Assistance Center. Alternatively, cyber-surfers can access the shipper's export declaration form together with instructions on how to complete it on the world wide web via the U.S. Census Bureau's website, http://www.census.gov/foreign-trade/www/regulations/regtext.html.

Although no special format is prescribed for the commercial invoice, it is advisable to include the following: date and place of shipment; name (firm's name) and address of the seller and the buyer; method of shipping; number, kind, and markings of the packages and their numerical order; description of the goods using the usual commercial description according to kind, quality, grade, and the weight (gross and net, in metric units) along with any factors increasing or decreasing the value; agreed price of goods; unit cost; total cost f.o.b. factory plus shipping; insurance charges; delivery and payment terms; and the signature of a responsible official of the shipper's firm. Bills of lading should bear the name of the party to be notified. The consignee needs the original bill of lading to take possession of the goods.

Certificates of Origin are not required for goods of U.S. origin. Products which U.S. companies import and then re-export to Ireland require a Certificate of Origin or some documentation that obviously proves their origin. In a situation where Ireland has a quota on a product made in a foreign country, the U.S. exporter cannot re-export this product to Ireland.

Marking and Labeling Requirements

With only minor exceptions, there are no general requirements for marking imported goods with the country of origin. Certain food products must show particulars of place of origin, where its absence might mislead the consumer to a material degree. Requirements for specific products should be obtained from the Irish importer. The import, export, or transit of non-Irish goods, having markings which would lead one to believe that the goods are of Irish manufacture or origin, are prohibited. The Merchandise Marks Act of 1887, as amended by the Consumer Information Act of 1978, prohibits false or misleading trade marks and product descriptions and other deceptive indications. Goods may not be imported with marks suggestive of Irish origin unless they bear an indication of their true origin.

There are no regulations for the marking of shipping packages. Good shipping practice dictates that packages should bear the consignee's mark and be numbered unless the shipment is such that the content of the packages can be readily identified without numbers.

Hallmarking of gold and silver articles is required before they can be offered for sale. Only small tolerances are allowable for manufacturing errors. The hallmarking is done by the Goldsmiths of Dublin, Assay House, Dublin Castle, Dublin 2.

Packaged foods must carry labels that conform to Irish labeling requirements. The information shown on the label is designed to provide the consumer with adequate details about the products including details on ingredients, net weight, "best before" date, "use by" date, and general usage instructions. In relation to “best before” and “use by” dates, U.S. exporters should note that in Ireland dates are written in the sequence: date, month, year, for example; 30 Nov 96, 30-11-96, or 30/11/96. The labeling requirements are similar to those employed elsewhere in the EU except that the Irish authorities require that the name and the EU address of the manufacturer, distributor, or packer appear on the label. This can often cause difficulties for U.S. exporters who should refer any questions on labeling of food products to the Office of Agricultural Affairs, U.S. Embassy, Dublin.

Import Licensing

Only a small number of goods of U.S. origin require import licenses, mostly agricultural and food items. Other items subject to import licensing requirements include coal and lignite fuel, a few products from the chemical and related industries, specified iron and steel products, various textiles and textile products, natural and synthetic precious and semi-precious stones and dust, zinc (plate, sheet, strip, and foil), and controlled items such as arms and munitions. Licenses are generally granted rapidly for goods of U.S. origin.

Licenses are not transferable. They may be used to cover several shipments within the total quantity authorized. In general, the goods involved are indicated on the license by the HS classification number and the corresponding wording of the tariff position. Small tolerances, up to one percent for most goods and up to five percent in certain instances, are permitted in excess of the total specified on the license.

Technical Standards

The metric system is the key measurement system in international trade and the United States is the only major nation where it is not in full use. The U.S. 1988 Trade Act states that the metric system is the preferred system for weights and measures. American firms can be at a serious disadvantage in world markets since overseas buyers are reluctant to accept non-standard (non-metric) products; and, since the replacement parts and tools are less available and serious safety risks could result by mixing metric and non-metric parts.

As a member of the EU, Ireland applies the product standards and certification approval process developed by the Community. Ireland is required by the 1957 Treaty of Rome to incorporate the EU Directives in its national laws. With the development of a single product standard, U.S. exporters may find it easier to comply with one EU-wide standard rather than having to meet several individual national standards when exporting to Europe.

The international quality standard, ISO 9000, is widely used in Ireland. Its adoption has been aided by the presence of over 1,000 international firms and their utilization of world class manufacturing (WCM) techniques. These manufacturers place a responsibility on their suppliers to adopt these WCM principles in order to achieve and maintain sub-supplier status. This development has led to the widespread adoption of ISO 9000 as one major element of the marketing mix for firms seeking to supply international manufacturers based in Ireland. Information on attaining ISO 9000 status is available from Enterprise Ireland, the Irish state agency responsible for developing indigenous industry in Ireland. Enterprise Ireland is also providing information and assistance on achieving ISO 9000 status to U.S. firms through its offices in the United States.

EU Standards

As part of the Single Market program, key product areas have been regulated at the Community level for conformance to mandatory requirements to protect the health and safety of consumers, as well as the environment. To indicate this conformance to the mandatory requirements, a CE mark must be placed on all regulated products by the manufacturer or a representative before they can be sold on the EU market. The applicable product testing and certification requirements for individual product categories are specified in the various EU Directives. The CE mark relates only to the mandatory health, safety, and environmental legal requirements established by the EU; it does not indicate conformity to European product standards. Thus, national marks of conformity with product standards remain compatible with the CE mark and both may be applied to the product. It should be noted, however, that the CE mark does replace all national safety marks for the regulated products.

All imports of agricultural and food items are subject to the sanitary and phytosanitary regulations of the EU as well as strict certification requirements laid down by the Irish veterinary and plant health authorities. As these regulations are complex and often are subject to change, exporters are advised to contact the Office of Agricultural Affairs, U.S. Embassy, Dublin for the current requirements for specific products.

The European Commission's document "The Global Approach to Certification and Testing", recommends harmonized testing and certification procedures within the Community. These proposals include establishing a "modular" system for demonstrating product compliance. Under this system, methods of demonstrating product conformity range from having the manufacturer self-certify the product; having a private testing company type-approve the product; and, providing market surveillance, depending on the probability and type of product risk. As the standards and certification requirements evolve, it is expected that qualified U.S. testing laboratories will be able to fully certify that products conform to EU requirements.

Assistance on Standards

U.S. firms exporting to Ireland are confronted with both Irish and EU product standards. Additionally, these regulations occasionally change to meet new technology and more stringent demands. Exporters can stay fully informed on the latest EU technical standards activities by contacting the National Institute of Standards and Technology (NIST), U.S. Department of Commerce. NIST offers industry an in-depth reference system on EU standards information gathered from the two European standards bodies tasked to write the EU norms - the European Committee for Standards (CEN) and the European Committee for Electrotechnical Standardization (CENELEC). NIST also can provide updated information from the EU that will elaborate on directives and provide assistance in identifying EU and member state standards and regulations. For more information, contact NIST at (301) 975-2000.

The Office of European Union and Regional Affairs, International Trade Administration, Room 3513, U.S. Department of Commerce, Washington, D.C. 20230 publishes regular updates on the status of EU directives. To obtain copies of directives, amendments, and published updates, or to obtain a complete list of directives that could affect product sales to Ireland or any other EU country, phone (202) 482-5276. Copies are available at a nominal fee.

Other valuable sources of information with regard to international standards include the American National Standards Institute, 11 West 42 Street, 13th Floor, New York, NY, 10036, phone: (212) 642 4900, the Department of Commerce's National Technical Information Service, Springfield, VA 22161, phone: (703) 605-6403, as well as various international trade associations that monitor international activities for their membership.

The European Electrical Standards Committee (CENELEC), a private organization, administers an agreement on harmonized standards and testing for electronic components. CENELEC sets technical specifications for components and provides that a certification of quality issued by an authorized institution in any member country will be recognized in the other participating nations with no additional testing required.

Electrical current is provided at an alternating current of 50 cycles, 1 and 3 phase. The voltage is 220/380 with 2 and 4 wires. Service interruptions are rare and the frequency of the current is stable. The electrical plug is the British type with three flat prongs. Adapters are available to change from one type plug to another.

Weights and Measures

Both imperial units and the International System of Units (SI) are in use. There has been a substantial shift to the metric system. Under the Merchandise Marks Order of 1973, certain types of packaged goods must be marked with the quantity in either rounded metric units or with metric/imperial units. The Packaged Goods (Quality Control) Regulations of 1981 require metric marking for standard size, closed prepackages which are within the limits of 5g/ml to 55kg/l. Imperial units may be stated in addition to, but not instead of, the metric indication.

The Packaged Goods Regulations require the Irish importer of packaged goods to ensure that the statement of quantity is in the prescribed metric units. The nominal quantity must be shown in kilograms, grams, liters, centiliters, or milliliters either using the name of the unit of measurement or its internationally accepted symbol. The quantity expressed in imperial units may be used in conjunction with the quantity expressed in metric units. However, the imperial units shall not be more prominent than the metric units in size, color, or position. In practice, this means that the quantity expressed in metric units should be given first with the figures at least as large as the imperial units, if used.

Special foodstuffs for retail sale and certain other consumer products may be offered for sale in Ireland only when packaged in an approved size. The U.S. exporter would be well advised to first check with the Irish importer to ensure that the package size complies with all requirements prior to shipment. Authorized packaging sizes for designated products are stated below:

Solids

Metric		Imperial	
Grams	Kilograms	Ounces	Pounds
62.5	1	2	1
125	1.5	4	1.5
250	2	8	2
375	3	12	3
500	4	-	4
750	-	-	5, 6, 7

Liquids

	Metric			Imperial	
Milliliters	Liters	Pints		Gallons	
62.5		1	1		1/8
125		1.5	2		1/4
250		2	4		1/3
500		2.5	8		1/2
-		3, 4, 5	-		1

Detailed information on metric and packaging requirements and usage in Ireland may be obtained from the Metrication Section of the Department of Enterprise, Trade and Employment. (Contact information is contained in Chapter XI).

A few Irish measurements continue to be used such as the Irish plantation acre equal to 7,840 square yards and the Irish mile equal to 6,720 feet. The traveler should become acquainted with another common unit of measure in Irish pubs -- the pint.

U.S. Export Controls

For the purpose of national security, foreign policy, or short supply considerations, the United States controls the export of goods and technology with two broad categories of export licenses -general and validated. The vast majority of U.S. exports are shipped abroad under general licenses with no formal application required. To determine what kind of export license is required, exporters should consult the Export Administration's regulations for complete details or obtain assistance from their local U.S. Department of Commerce Export Assistance Center (EAC).

As an overview, the sequential steps in the export licensing process are (1) to determine whether a product requires a general or validated license; (2) to determine what is being exported, the destination of the product, its use, and the organization that will be using the product; (3) to check the schedule of "Country Groups" listed in the Export Administration regulations to determine the destination category; (4) to check the "Commodity Control List" to determine if the product requires a validated license for shipment to that particular country; and, (5) to determine if any special restrictions are in effect.

If the product is not on the control list, it can then be exported under a general license. The U.S. exporter simply completes the U.S. Shippers Export Declaration, Form 7525-V, providing details of the shipment, including a commercial invoice, and then simply exports the goods. If the product is on the control list, a validated license is needed. An application must be made and an export license granted. As a general rule, an exporter will need a validated license (1) if the products are controlled or in short supply regardless of the country of destination; (2) for any commodity to a destination with foreign policy concerns; or (3) for unpublished technical data to certain destinations. Certain special licenses are also issued to cover large projects or repeated sales through a foreign distributor.

For assistance in determining what type of license is needed and to initiate the processing of an application, the contacts are the local U.S. Department of Commerce EAC or the Bureau of Import Administration, ADCVD, Enforcement Group 3, Office 9, Room 7870, U.S. Department of Commerce, Washington, D.C. 20230, phone: (202) 482-5811.

CHAPTER VII

INVESTMENT CLIMATE

1. Openness to Foreign Investment

(A) Irish government attitude towards foreign investment

Attracting foreign private investment has been a top economic priority of Irish governments over the last thirty years. The primary goal of Irish efforts to attract foreign investment has traditionally been employment creation, especially in high-technology and high-skill industries.

The Irish Government's efforts have paid off, certainly in attracting U.S. foreign investment. According to the U.S. Chamber of Commerce, Ireland, with one percent of the EU's population, attracted twenty-fiver percent of all new U.S. investment in the EU from 1993-1999. As of end-1998, there were 550 U.S. companies operating in Ireland, employing around 78,500 workers (5% of total employment), mostly in the following sectors: chemicals; pharmaceuticals and healthcare; computer hardware and software; electronics; and financial services.

According to a recent business survey, U.S. companies are attracted to Ireland for the following reasons: 1) its access to the EU trading bloc; (2) the 10% special rate of corporation tax and generous state subsidies; (3) the quality and flexibility of the English-speaking workforce - of all OECD countries only the Japanese workforce has a higher proportion of trained engineers and scientists; (4) the pulling power of existing companies operating successfully here (a sort of "bandwagon" effect). According to the U.S. Department of Commerce, the average annual return on investment for US companies in Ireland in 1997 (the latest figure available) was an impressive 22.1%, compared with 11.4% for Europe as a whole and 11.7% for other U.S. overseas investors.

Increasingly, the rapid declines in Irish unemployment over recent years, as well as the Irish success in attracting high-tech foreign investment, is leading the Irish Government to adopt a more selective approach to foreign investment and provision of targeted assistance to foreign investors. Generous grant-aid will be conditional on companies locating in less-developed regions in the west of the country, where unemployment is higher and infrastructure is less developed. Irish authorities will also seek to deliver higher value, higher-skill businesses to the economy and to encourage the addition of more functions to the existing Irish operations of international companies.

Other major changes in the Irish investment climate over the coming years will be increasing shortages of skilled and unskilled labor, as well as rising infrastructure (traffic, aviation, telecommunications) congestion. Nonetheless, the attractive corporate tax regime, the pro-business policy environment, and the access to the single European market will ensure continued high levels of foreign investment in Ireland into the medium-term.

Four state organizations promote inward investment into Ireland by foreign companies:

1) The Industrial Development Agency of Ireland (IDA Ireland) has overall responsibility for promoting and facilitating foreign direct investment in all areas of the country, except the Shannon Free Zone. IDA Ireland also has responsibility for attracting foreign companies to Dublin's International Financial Services Center (IFSC). IDA Ireland maintains offices in New York, Boston, Chicago, Los Angeles, San Jose, and Atlanta, as well as locations in Europe and Asia;

2) Enterprise Ireland promotes joint ventures and strategic alliances between indigenous and foreign companies;

3) SFADCO has the remit for investment in the Shannon Free Zone and is generally responsible for economic development in the Shannon region;

4) Udaras has responsibility for economic development in those areas of Ireland where Irish (Gaelic) is the predominant language, and works with IDA Ireland to promote overseas investment in these regions

(B) Major Laws/Rules/Taxation Policy

The major laws affecting foreign investment in Ireland are the following:

1) the Industrial Development Act of 1993 outlines the functions of IDA Ireland, the state agency responsible for attracting overseas investment to Ireland;

2) the Mergers, Takeovers and Monopolies Control Act of 1978 sets out rules governing mergers and takeovers by foreign and domestic companies; the Competition (Amendment) Act of 1996 amends and extends the Competition Act of 1991 and the Mergers and Takeovers (Control) Acts of 1978 and 1987, and sets out the rules governing competitive behavior;

3) the Companies Act of 1963 contains the basic requirements for incorporation in Ireland (amended in 1990).

In addition, there are numerous laws and regulations pertaining to employment, social security, environmental protection and taxation, many of them determined at EU level.

One of Ireland's most obvious attractions as a location for international investment is the low rate of corporation tax. Currently, manufacturing companies, firms engaged in international financial services (IFSC), data processing, research and development and other priority industries are eligible for a corporate tax rate of 10%. Distribution and financial services companies located in the Shannon duty-free zone at Shannon airport are also eligible.

Moreover, Ireland's standard rate of corporate tax (now 24%) is also set to fall significantly over the coming years. Under pressure from the European Commission and other EU member states, which viewed Ireland's special 10% tax rate as a state subsidy to industry, the Irish government committed in 1998 to eliminating the special 10% tax rate and lowering the standard rate of corporate tax to just 12.5% by 2003, thereby eliminating any differential treatment for specific sectors. When the 12.5% rate is fully introduced Irish top corporate tax rates will be significantly lower than tax rates in continental Europe. The 1999 Finance Act outlines the path for the phased reduction in the standard rate of corporate tax over the coming years; the rate will fall to 24% in 2000, 20% in 2001, 16% in 2002 and 12.5% in 2003. More specifics on Ireland's corporate tax regime are provided below.

Ireland's New Corporate Tax Regime

The following are the main provisions of the agreement reached between the Irish government and the European Commission on corporate taxation:

1) a general 12.5 percent rate of tax for all trading profits will apply from January 1, 2003;

2) However, existing operations which are eligible for the ten percent rate of tax will retain their entitlement to this rate until 2010 in the case of manufacturing and certain internationally traded services and until 2005 in the case of the international financial services center and the Shannon industrial zone;

3) New projects established after July 22, 1998 in manufacturing, certain internationally traded services and in the IFSC or Shannon will be eligible for the ten percent rate of tax until December 31, 2002 after which they will then be subject to the 12.5 percent rate of tax;

4) However, the overall number of new IDA-supported projects (mainly foreign companies in manufacturing and internationally traded services) established in Ireland is not to exceed 77 per year in 1998-2002 inclusive (this figure is based on the average number of IDA-supported projects established in Ireland in recent years);

5) The deadline for the approval of new projects at the IFSC and Shannon will be brought forward by one year to Decembers 31, 1999; new projects establishing at the

IFSC and Shannon after this date will be liable for the standard rate of corporation tax then applying. The number of new projects at the IFSC in 1998-99 will be limited to 67 per year.

(C) Discriminatory Practices

All firms incorporated in Ireland are treated on an equal, national basis. With only a few exceptions, there are no constraints preventing foreign individuals or entities from ownership or participation in private firms/corporations. The most significant of these exceptions is that, as with other EU countries, Irish airlines must be at least 50% owned by EU residents in order to have full access to the single European aviation market, as well as requirements related to the purchase of agriculture lands (see below). There is no formal screening process for foreign investment in Ireland, though investors looking to receive Government grants or assistance through one of the four state agencies responsible for promoting foreign investment in Ireland are often required to meet certain employment and investment criteria (see section "D" below).

While Ireland does not have a formal privatization program, the recent successful flotation of Telecom Eireann, now known as Eircom, (Ireland's biggest telecommunications company) is almost certain to be followed by further privatization of state-owned companies in the transport, energy and banking sectors over the coming years. There are no barriers to participation by foreign institutions in the sale of Irish state-owned companies, though residents of Ireland may be given priority access in share allocations to retail investors, as was the case with Telecom Eireann.

Irish central and local government procurement is administered according to EU regulations. Embassy is aware of only one current complaint by a U.S. company regarding an Irish government procurement process. In June 1999, Transaction Network Services, a U.S. leader in the field of electronic benefit transfers, made a formal complaint to the European Commission over the Irish Government's decision not to put a contract for making social welfare payments, currently operated by the state postal service, out to public tender. TNS claims that the Irish government's decision is illegal under EU procurement law which, the company claims, gives the Irish government no choice but to open up the contract to public tender. According to media reports, TNS is not charging, at this time, that the Irish government's decision against tendering was motivated by any anti-American bias against TNS. The case is still pending.

Foreign nationals (citizens of countries other than Ireland and the other EU member states) can acquire land for private residential purposes and for industrial purposes. Under Section 45 of the Land Act, 1965, all non-EU nationals must get the written consent of the Land Commission before acquiring an interest in agricultural land, though there are many stud farms and racing facilities in Ireland that are owned by foreign nationals. There are no restrictions on the acquisition of urban land.

(D) Investment Screening

IDA Ireland assesses potential investment projects for eligibility for grant aid. Grant aid is largely tied to job creation and linkages with the local economy. While investors are free, subject to planning considerations, to choose the location of their investment, generous grant aid has become increasingly dependent on investors' willingness to establish operations in the more remote western and border regions of Ireland, where unemployment is higher and infrastructure less developed. Screening mechanisms for grant aid purposes are transparent and do not impede investment, limit competition or protect domestic interests. Potential investors also are required to examine the environmental impact of the project and meet with Irish Environmental Protection Agency (EPA) officials.

2. Conversion and Transfer Policies

Ireland enjoys full current and capital account liberalization. There are no restrictions on the conversion or repatriation of investment capital, earnings, interest or royalties, nor does the U.S. Embassy in Dublin know of any plans to change remittance policies. Likewise, there are no limitations on the import of capital into Ireland. Foreign exchange is easily obtainable at market rates.

3. Expropriation and Compensation

Private property is expropriated only for public purposes in a non-discriminatory manner and in accordance with established principles of international law. State condemnations of private property are carried out in accordance with recognized principles of due process. Where there are disputes between owners of private property subject to a government taking, the Irish courts provide a system of judicial review and appeal. The Embassy is not aware of any outstanding investment disputes involving U.S. investors.

4. Dispute Settlement

Ireland has no specific domestic laws governing investment disputes with foreign firms. Although there are no disputes over current U.S. investments in Ireland, other than mentioned above (see above Section 1. (B)"), a controversy did arise in 1995 over the selection process used to choose the consortium to operate the second mobile phone license in Ireland. The unsuccessful U.S. bidders complained that the government at the time did not provide the same measure of transparency as had existed in other EU mobile telecom competitions. Since that decision, however, there have been no complaints by U.S. firms over the awarding of major public sector contracts in Ireland, some of which have been won by U.S. companies.

The Irish legal system is based on common law, legislation and the constitution. The Companies Act 1963 (amended 1990) is the most important body of law dealing with commercial and bankruptcy law, and is consistently applied by the courts. Irish bankruptcy laws give creditors a strong degree of protection. The Department of Enterprise, Trade and Employment is the state agency with primary responsibility for drafting and enforcing company law. The judiciary is independent and litigants are entitled to trial by jury in commercial disputes. Ireland is a member of the International Center for the Settlement of Investment Disputes, and the Irish Government has been willing to agree to binding international arbitration of investment disputes between foreign investors and the state.

5. Investment Performance Requirements/Incentives

Three Irish organizations, SFADCO, IDA Ireland and Udaras, have regulatory authority for administering grant-aid to investors for capital equipment, land, buildings, training, research and development, etc.

Performance requirements are generally based on employment creation targets established between the state investment agencies and foreign investors. Grant-aid is paid out only after externally-audited performance targets have been attained. Generally, parent companies must guarantee repayment of all or a portion of a government grant if the company closes before an agreed period of time elapses, normally ten years after the grant has been paid. In the past, government agencies have viewed employment-based performance requirements liberally, and have not enforced them in some cases. Grant agreements generally have a term of five years after the date on which the last grant is paid.

There are no requirements that foreign investors purchase from local sources or allow nationals to own shares. To qualify for special corporate tax rates and state grants, some foreign investors must place their investment in a specified location. In particular, to receive better than national treatment, financial services companies must locate in the International Financial Services Center in Dublin, or another approved location. For most Irish and overseas companies, however, the Revenue Commissioners (the Irish tax authorities) will ultimately decide whether companies qualify for the special 10% rate of corporation tax, depending on the nature of its operations rather than its geographic location. According to the terms of the 1998 agreement on corporate taxation between the Irish government and the European Commission, from 2003 all companies will pay corporate tax at a rate of 12.5% on trading profits (non-trading profits will be taxed at 25%), irrespective of the nature of their operations or geographic location (see Section 1. (B) "Major Laws/Rules/Taxation Policy").

As a result of the "Agenda 2000" EU budgetary reforms in March 1999, beginning in 2000 Ireland will be treated as two regions for the purpose of EU structural funding and maximum "regional aids." Under the new rules, maximum grant-aid assistance (40% of capital investment) will only be available to companies locating in the 13 "Objective 1" border, midland and western counties of Ireland (the so-called "BMW" region), where infrastructure is less developed and unemployment higher. Companies locating in the remaining 15 counties in the more prosperous southern and eastern parts of the country will be entitled to restricted grant-aid up to a maximum of 20% of their capital investment.

There are no restrictions, de jure or de facto, on participation by foreign firms in government-financed and/or subsidized research and development programs on a national basis. On the contrary, the government encourages multinational companies to undertake more research and development in Ireland. The Office of Science and Technology, in the Department of Enterprise, Trade and Employment, launched the Measure One Scheme in 1993 to provide grants for research and development. The program allots 50 percent of the grant funding to multinational companies. Enterprise Ireland, a sister organization of IDA Ireland set up to promote indigenous Irish industry, organizes strategic alliances and technology cooperation between Irish firms and multinationals.

Visa, residence and work permit procedures for foreign investors are non-discriminatory and, for U.S. investors, generally liberal. There are no restrictions on the numbers and duration of employment of foreign managers brought in to supervise foreign investment projects.

There are no discriminatory export policies or import policies affecting foreign investors.

6. Right to Private Ownership and Establishment

The most common form of business organization in Ireland is the incorporated company limited by shares registered under the Companies Act, 1963, or previous legislation. Irish law does not prevent foreign corporations from carrying on business in Ireland. Any company incorporated abroad that establishes a branch must, however, file certain papers with the Registrar of Companies. A foreign corporation with a branch in Ireland will Have the same standing in Irish law for purposes of contracts, etc. as a company incorporated in Ireland. Private businesses are not at a competitive disadvantage to public enterprises with respect to access to markets, credit and other business operations.

Until recently, Irish company law differed from international norms by allowing, for tax purposes, the registration of companies in Ireland of companies that were not actually resident in Ireland (so-called Irish Registered Non-Resident companies (IRNRs)). In response to growing public concern that a large number of the estimated 40,000 IRNRs were engaged in fraud, tax evasion, money laundering and other illegal activities, the 1999 Finance Act equates registration in Ireland with tax residence and liability for all companies except in limited circumstances. The exceptions include cases where the Irish company, or a related parent company, is carrying on trade in Ireland and either the company is ultimately controlled by residents of an EU member state or residents of a country with which Ireland has a tax treaty (including the United States). These measures will, therefore, have no immediate effect on the tax status of legally operating U.S. companies in Ireland. Nonetheless, all Irish-based companies, including U.S. firms, claiming non-residence in Ireland because of tax treaty provisions will have to identify the beneficial owners of the company. The new rules apply to all new companies incorporated on or after February 11, 1999, and for existing companies from October 1999.

At the same time, new company law measures to become law shortly will require that every application for company registration in Ireland show how the proposed company will carry on activities in Ireland. Every company will also be required to have an Irish resident director or to provide a bond to the value of IP 20,000 (around USD27,000) in the event of the company failing to comply with company law and tax requirements. The combination of the new tax and company law measures will, the government hopes, prevent the use of IRNRs for exclusively foreign activities without any connection to Ireland, while at the same time ensure that legitimate overseas operations can continue to benefit from Ireland's advantageous tax arrangements.

7. Protection of Property Rights

(A) Real Property

Secured interests in property, both chattel and real, are recognized and enforced. The Department of Justice administers a reliable system of recording such security interests through the Land Registry and Registry of Deeds. An efficient, non-discriminatory legal system is accessible to foreign investors to protect and facilitate acquisition and disposition of all property rights.

(B) Intellectual Property Rights

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 designed to bring 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, it will come into force in early Fall 2000 (see below) and give 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 previous Irish IPR law 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 estimate that up to 60% of PC software used in Ireland is 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 in the previous legislation: the compulsory 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; and applications processed after December 20, 1991, did not conform to the non-discrimination requirement of TRIPs Article 27.1.

Final enactment of the new legislation, and simultaneous repeal of previous IPR laws, will occur by Ministerial order in early Fall 2000, following completion of necessary preparatory administrative work, such as the regulatory definition of terms used in the new law (e.g., "charitable institutions" and "lending libraries") and the establishment of new dispute settlement bodies created under the new legislation.

8. Transparency of the Regulatory System

The Irish Government generally employs a transparent and effective policy framework that fosters competition between private businesses in a non-discriminatory fashion. While ongoing Irish judicial investigations are attempting to link political donations in the late 1980s by indigenous Irish companies to favorable government decisions, U.S. businesses can, in general, expect to receive national treatment in their dealing with the

State and there is no report of any U.S. firm or investor being required or forced to make similar payments during this period.

Regulation of the transport, energy and communication sectors has up untill recently been carried out of the Department of Public Enterprise. The establishment of independent industry regulators for these sectors has however, accompanied privatization and liberalization. The Competition (Amendment) Act, 1996 amends and extends the Competition Act, 1991 and strengthens the enforcement power of the Competition Authority, introduces criminal liability, increases corporate liability and outlines available defenses.

Most tax, labor, environment, health and safety, and other laws are compatible with European Union regulations, and they do not adversely affect investment. Bureaucratic procedures generally are transparent and reasonably efficient.

9. Efficient Capital Markets and Portfolio Investment

Capital markets and portfolio investments operate freely. Credit is allocated on market terms, and there is no discrimination between Irish and foreign firms. In some instances, development authorities and banks are able to facilitate loan packages to foreign firms with favorable credit terms. Irish legal, regulatory, and accounting systems are transparent and consistent with international norms, and provide a secure environment for portfolio investment. The Capital Gains Tax rate is just 20%, cut from 40% in November 1997. The Irish banking system is sound, and the estimated total assets of all licensed credit institutions as of April 2000 equaled IP 263.1 billion (USD355.2 billion). Reducing the attractiveness of Irish capital markets is the low equity market capitalization (70% of GDP forecast for 2000) relative to other developed economies. The reflects the dominance of just two financial stocks (AIB and Bank of Ireland) in the Irish stock exchange, although the situation is expected to improve considerably as the government privatizes state enterprises in the telecommunications, energy and transport sectors. U.S. banks operating in Ireland include Citibank and Chase Manhattan.

Regulation of the Irish financial services industry is currently shared between the Irish Central Bank, the Department of Finance and the Department of Enterprise, Trade and Employment. A government-commissioned report published in June, 1999, recommended that a new supervisory authority, modeled on the UK's Financial Services Authority, be established independent from the Central Bank to take over regulation of the whole financial service industry. This followed a series of scandals in the financial sector in recent years, which produced accusations from Irish media and politicians that the Central Bank was too close to commercial banks to effectively regulate the sector and protect consumers' interests. The government-commissioned report is currently under consideration by the cabinet. From a prudential perspective, the greatest threat at present to the Irish banking system is the overheating property market. Irish policy makers are concerned that high levels of lending by banking institutions to property investors and homebuyers in recent years could leave both banks and borrowers vulnerable to a significant downturn in the economy, with negative repercussions for the financial system.

10. Political Violence

(A) Impact of Northern Ireland Instability

Political instability and violence in Northern Ireland over the past thirty years often were perceived as extending to the Republic of Ireland. In reality, however, there has been little spill over of violence into Ireland from Northern Ireland over the past years, especially since the late-1970s. There has never been any violence related to the situation in Northern Ireland directed at U.S. citizens or firms located in the Republic of Ireland.

The economy of the Republic of Ireland undoubtedly benefited from an increase in business and foreign investor confidence after an end to the widespread violence in the North that began in 1995 with the declaration of the paramilitary cease-fires. But the economic environment of the Republic is now so strong and self-sustaining that it would take a dramatic and long-term deterioration in the security and political situation in the North for the Republic's business environment to be affected.

The already low prospects for violence in Ireland diminished even further with the Good Friday Agreement and its ratification by large majorities in Ireland and Northern Ireland on May 22, 1998. Despite some serious obstacles to meeting the Agreement's timetables for full implementation (see Chapter III, "The U.S. Role in the Northern Ireland Peace Process"), all the parties to the Agreement have remained committed to it. As of July 2000, all parties signed up to the Agreement, as well as their paramilitary wings, have maintained cease-fires.

Splinter groups opposed to the peace process have, however, committed terrorist attacks in Northern Ireland and in mainland Britain on several occasions since the Good Friday Agreement was signed. There have been no serious incidents in Ireland. But a potential for political violence and civil disturbances, in Northern Ireland and to a much lesser degree in the Republic of Ireland, remains for now.

(B) Other Acts of Political Violence

In 1997 and Spring 1998 an Irish environmental group vandalized two separate crop trials, involving genetically-modified (GM) crops, conducted by the U.S. firm Monsanto at sites in Ireland. Irish police investigated both incidents and criminal charges were filed in both cases. There have been no further incidents involving subsequent GM plant trials in Ireland.

There have been no other recent incidents involving politically- motivated damage to foreign investment projects and/or installations in the Republic of Ireland.

11. Corruption

Corruption is not a serious problem for foreign investors in Ireland. The principal Irish legislation relating to anti-bribery and corruption includes the Public Bodies Corrupt Practices Act, 1889, the Prevention of Corruption Act, 1906 and the Prevention of Corruption Act, 1916, which make it illegal for Irish public servants to accept bribes. The "Ethics in Public Office Act 1995" provides for the written annual disclosure of interests of people holding public office or employment.

The Irish government is currently drafting a new "Prevention of Corruption" bill, which, if enacted, will bring Irish legislation into line with the OECD Convention on Combating Bribery, which Ireland signed in 1998. The bill is expected to be introduced into parliament in the fall of 1999, and to become law in early 2000. This will, among other things, make it a criminal offense to offer bribes to foreign officials. Bribery of foreign officials may also invalidate a contract which a party is seeking to enforce in Ireland and is not, in the informal opinion of the Irish Revenue Commissioners, deductible for tax purposes (although this has never been tested in the courts).

A number of ongoing judicial tribunals investigating "payments to politicians" are seeking to establish whether political donations by certain Irish companies in the late 1980s and early 1990s can be linked to favorable government decisions, mostly at the local level, in zoning and tax matters. There is also growing media and public concern that Irish politics in the late 1980s and early 1990s may have been "compromised" by business interests. These developments have led to calls for the establishment of a permanent commission to investigate allegations of corruption against politicians. Despite these troubling reports of payments to political parties and figures in the 1980s and early 1990s, there remains no indication that foreign businesses or investors have had to make such payments or been approached to make such payments to conduct business during the period in question or in years since.

Allegations of corruption are investigated by the Irish police, and if sufficient evidence of criminal activity is found, the Director of Public Prosecutions prepares a file for prosecution. Several public officials have been convicted of corruption and/or bribery in the past, although it is not a common occurrence.

12. Bilateral Investment Agreements

Ireland's only bilateral investment protection agreement is with the Czech Republic. In addition, Ireland has bilateral tax treaties with the following countries: Australia, Austria, Belgium, Canada, Czech Republic, Cyprus, Denmark, Estonia, Finland, France, Germany, Hungary, Italy, Israel, Japan, Korea (Rep. of), Latvia, Lithuania, Luxembourg, Malaysia, Mexico, Netherlands, New Zealand, Norway, Pakistan, Poland, Portugal, Russia, Slovak Republic, South Africa, Spain, Sweden, Switzerland, UK, USA, Zambia and Romania. These agreements serve to promote trade and investment between Ireland and the partner counties that would otherwise be discouraged by the possibility of double taxation. (LIAM -- DID YOU UPDATE THIS? I REMEMBER IT WAS 4)? Ireland is expected to enter at least three new Double Taxation Treaties over the coming year.

13. OPIC and Other Investment Insurance Programs

Since 1986 the U.S. Overseas Private Investment Corporation (OPIC) has been authorized to operate in Ireland as part of the U.S. effort to support the process of peace and reconciliation in Northern Ireland. There is some potential in Ireland for OPIC's credit guarantee programs. No other countries have any investment insurance program in Ireland.

The estimated annual U.S. dollar value of local currency likely to be used by the U.S. Embassy in Ireland during 1999 is approximately USD6.6 million. The Embassy purchases local currency through centralized bulk purchasing arrangements at a competitive market rate. Ireland's participation in the EU's Economic and Monetary Union (EMU), which began on January 1, 1999, removes the possibility of a devaluation of the Irish pound over the coming year.

14. Labor

Ireland has a labor force of 1.73 million people, of which just under 1.65 million people are in full-time employment (there are around 273,100 part-time workers). Employment growth has averaged just under 4.0% since 1994, leading to a fall in the rate of unemployment from an average of 15.6% in 1993 to just over 4.7% in July 2000. As well as falling unemployment, other sources of strong labor force growth in recent years have been fast demographic growth in the working age population, rising female participation in the labor force, and net immigration (mostly of returning Irish émigrés from the United States and the UK).

Irish labor force regulation is light compared with most continental EU countries, and the Irish workforce is characterized by a high degree of flexibility and mobility. Falling unemployment has been accompanied by the spread of labor shortages from the information technology and construction industries throughout most sectors of the Irish economy.

Average wages in manufacturing increased by an estimated 5.0% in 1998, although fast productivity growth in recent years has ensured that unit labor costs in Ireland remain well below most industrialized countries.

In 1998, a government commission projected that an extra 2,200 technical specialists will be needed in each of the next five years to fill skills shortages in the high-tech sectors of the economy, on top of the 6,100 people with engineering and computer qualifications that currently enter the Irish labor market each year. In response, the government established a USD330 million Education in Science and Technology Fund to encourage a greater proportion of Irish students, from secondary level education upwards, to pursue careers in science and technology.

The Irish system of industrial relations is a voluntary one. Pay levels and conditions of employment are generally agreed through collective bargaining between employers and employees. Since 1987, collective bargaining has taken place under the framework of a series of national economic programs, negotiated by representatives of employers, trade unions, the government, farmers and other "social partners." This consensual approach to economic policy formation has been accompanied by a marked improvement in the industrial relations climate since the mid-1980s; working days lost as a result of industrial disputes amounted to 215,587 in 1999, down from an average of over 300,000 in the 1980s. In contrast to 1998 when only 37,300 days were lost to industrial disputes, 1999 saw public sector employees in the healthcare sector, i.e. nurses, take industrial action, which accounted for almost 150,000 days lost.

The latest national economic program, "Program for Prosperity and Fairness", was signed in April 2000 and trades off pay moderation by trade unions in return for generous income tax cuts by the government. As already stated in Chapter III, the "Program for Prosperity and Fairness" has come under immediate strain owing to the increasing inflation rate. The benefits of pay increases have been whittled away by an inflation rate which currently stands at 5.2%. House ownership, which Irish people hold dearly, is becoming as aspiration rather than a goal, especially in Dublin where house prices have risen dramatically since the mid-1990s. Many public sector employees are now claiming that they cannot afford to purchase residential property and in the absence of a structured and regulated rental sector, they are becoming increasingly disillusioned. Demand for housing around the capital is far exceeding supply and the provision of affordable housing is now becoming a major issue for the government.

Trade union demands for mandatory trade union recognition in the workplace are being strongly resisted by employers. While the Irish constitution guarantees the right of citizens to form associations and unions, Irish law also affirms the right of employers not to recognize unions and to deal with employees on an individual basis. Both sides are currently examining a possible compromise solution giving greater powers to the Irish Labor Court to intervene in industrial disputes.

Employers also strongly oppose trade union demands for greater "partnership" between employees and employers at enterprise level, including worker participation in managerial decisions through German-style "work councils", although some progress has been made with regard to increased profit-sharing.

At the behest of the trade unions, government introduced a minimum wage of IP 4.40 in April 2000. The net impact of the minimum wage has been hard to gauge. On the one hand, some employers have increased prices, claiming that in the face of the introduction of the minimum wage they were forced to raise prices. On the other those in lower paid professions have benefited from increased take home pay.

15. Foreign Trade Zones/Free Ports

The Shannon duty-free Processing Zone (SDFPZ) was established by legislation in 1957. Under the legislation, eligible companies operating in the Shannon Free Zone are entitled to the following benefits: goods imported from non-EU countries for storage, handling or processing are duty free; no duty on goods exported from Shannon to non-EU countries; no time limit on disposal of goods held duty-free; minimum customs documentation and formalities; no Value Added Tax (VAT) on imported goods, including capital equipment; choice of having import duty on non-EU product calculated on its landing value or selling-out price. Qualifying criteria for eligible companies include employment creation and export-orientation. Foreign-owned firms in the Shannon Free Zone have the same investment opportunities as indigenous Irish companies. U.S. companies operating out of Shannon include GE Capital, Bristol Myers Squibb, DHL, UPS, Pfizer and Cabletron. Duty free exemptions are available also to companies operating in Ireland's major deep-water port at Ringaskiddy in Co. Cork, although these have been used infrequently in recent years.

16. Foreign Direct Investment Statistics

Ireland does not compile statistics on the value of foreign direct investment inflows into Ireland or direct investment outflows out of Ireland. However, according to figures provided by IDA Ireland, the number of overseas companies operating in Ireland in manufacturing and internationally-traded services has increased by over 50% since 1988, reaching 1,279 at end-1999. Over the same period employment by foreign companies increased from 65,874 to 124,664. U.S. companies have played a key part in this growth. At end-1999, 497 IDA-assisted U.S. companies were operating in Ireland, employing 78,521 workers, representing 63% of the total number of workers employed by foreign firms and 4.8% of total Irish employment. The total number of U.S.-owned companies in Ireland may be as high as 550. According to data from the U.S. Department of Commerce, the total stock of U.S. investment in Ireland increased from USD17.0 billion in 1998 to USD19.8 billion in 1999.

Table 7.1: Stock of U.S. Investment of Ireland
(USD Millions; historical cost basis)

	1994	1997
All Industries	7,832	14,476
Manufacturing	4,388	8,462
Food	257	635
Chemicals	1,484	2,768
Metal	172	127
Industrial machinery	212	561
Electronic equipment	573	1,749
Other manufacturing	1,689	2,592
Wholesale trade	189	352
Finance	2,745	5,113
Services	424	321
Other industries	69	22

Source: U.S. Department of Commerce; Survey of Current Business

Most U.S. companies in Ireland operate in the following sectors: chemicals; pharmaceuticals and healthcare; computer hardware and software; electronics; and financial services. According to a recent business survey, U.S. companies are attracted to Ireland for the following reasons: (1) its access to the EU trading bloc; (2) the 10% special rate of corporation tax and generous state subsidies; (3) the quality and flexibility of the English-speaking workforce - of all OECD countries only the Japanese workforce has a higher proportion of trained engineers and scientists; (4) the pulling power of existing companies operating successfully here (a sort of "bandwagon" effect). According to the U.S. Department of Commerce, the average annual return on investment for US companies in Ireland in 1997 was an impressive 22.1%, compared with 11.4% for Europe as a whole and 11.7% for other U.S. overseas investors. The following are just a few of the U.S. companies who have announced new investments in Ireland in recent years: American Home Products, Intel, Hewlett-Packard, Gateway 2000, IBM, Dell, 3Com, Johnson & Johnson, Citibank, Xerox.

Table 7.2: Total Employment in IDA-Supported Companies (End-year)

1999	124,664
1998	115,981
1997	107,171
1996	97,279
1995	90,037
1994	83,524

Source: IDA Ireland Annual Report, 1999

Table 7.3: Total Employment by Sector in IDA-Supported Companies

	1998	1999
Pharmaceuticals/Healthcare	17,442	18,172
Electronics/Engineering	59,401	61,457

Textiles/Clothing/Footwear	5,509	4,074
Miscellaneous Industry	8,138	6,971
International Services	25,510	33,990
Total	115,981	124,664

Source: IDA Ireland Annual Report, 1999

Table 7.4: Origins of IDA-Supported Companies, End-1999

United Stated States	497
United Kingdom	198
Germany	172
Rest of Europe	291
Asia/Pacific	57
Rest of World	64
Total	1,279

Source: IDA Ireland Annual Report, 1999

Table 7.5: Major U.S. Investments in Ireland

Company	Location
Apple Computers	Cork
AIG Europe	Dublin
Bausch & Lomb	Waterford
Berlitz	Dublin
Boston Scientific	Galway, Cork

Compaq Computers	Dublin
Citibank	Dublin
Dell Computers	Limerick, Dublin
Eastman Kodak	Limerick, Cork
Fidelity	Dublin
Gartner Group	Limerick
Gateway 2000	Dublin
Hewlett Packard	Dublin
Hertz	Dublin
IBM Ireland	Dublin
Intel Ireland	Dublin
Johnson & Johnson	Dublin
Motorola	Cork
Netscape Communications	Dublin
Novartis	Cork
Smithkline Beecham	Waterford
3Com	Dublin
United Airlines	Dublin
US Robotics	Dublin
Woodchester Investments	Dublin

Source: IDA Ireland Annual Report, 1999

CHAPTER VIII

TRADE AND PROJECT FINANCING

Introduction

The Irish financial system has experienced a series of changes over the past decade. New legislation has been introduced to allow more competition between different types of financial services organizations. Consequently, there exists a very sophisticated banking environment, which offers many sources of financing to organizations doing business in Ireland.

The banking system operates on a basis similar to that in the U.K., on account of the physical proximity of the two countries and the high volume of mutual trade. In broad terms, the sources of finance may be classified into two groups:

A) Finance and financial services available directly from banks, building societies, and other financial institutions.

B) Finance available through financial markets, such as the Stock Exchange.

The Irish Banking System

(A) The Central Bank of Ireland

The role of the Central Bank of Ireland traditionally has been similar to that of central banks in other developed countries. Established under the Central Bank Act of 1942, the Central Bank is charged with managing the country's banking/monetary system and controlling credit. In addition, it acts as adviser and banker to the Irish government. The Central Bank Act of 1998 states that the new primary objective of the Central Bank, in discharging its function as part of the European System of Central Banks, will be to maintain price stability across the Euro area. The 1998 Act also replaces the former obligation of the Irish Central Bank Governor (currently Mr. Maurice O'Connell) to "consult and advise" the Irish finance minister on monetary policy matters with an obligation to simply "inform" the minister in regard to such matters.

The Central Bank Act of 1989 extended its regulatory role to entities other than banks. Thus, it has responsibility for the licensing and supervision of banks and other financial institutions, including money brokers, the Irish Futures and Options Exchange (IFOX), and institutions establishing operations in Dublin's International Financial Services Center (IFSC). The Central Bank's supervisory and regulatory functions was not significantly altered by EMU.

B) Commercial Banks

In Ireland, commercial banks are classified as "licensed banks" and "state sponsored banks". There are fifty holders of banking licenses, issued under Section 9 of the Central

Bank Act, 1971, offering a broad range of banking services. The main clearing banks comprise Allied Irish Banks, Bank of Ireland, National Irish Bank and Ulster Bank. These banks provide all general banking services, including a comprehensive current account service. In addition, following conversion from building society status, Irish Permanent plc and First Active plc now provide an expanded range of banking services.

Other licensed banks, a number of which are subsidiaries and affiliates of the main clearing banks, tend to concentrate on specific types of banking business. Examples include wholesale and corporate banking, installment credit and leasing, capital market activities and, particularly for banks in the IFSC, international and investment banking.

ACC Bank and ICC Bank are state owned financial institutions which provide a broad range of retail and business banking services, with a particular emphasis on agricultural and industrial development projects.

Building societies are mutual organisations with ownership vested in shareholders that have deposits in investment and savings share accounts. Along with the clearing banks, they are the principal institutions providing finance for house purchase. The Building Societies Act, 1989, provided for the extension of the powers of building societies to enable them to provide a wider range of services such as checking accounts and Automated Transaction Machine (ATM), insurance brokering and investment advisory services.

Foreign Exchange Regulations

On January 1, 1993, all exchange control regulations were completely abolished. Thus, there are no restrictions on inward investment, foreign trading, or the repatriation of capital and profits of American firms based in Ireland.

General Financing Availability

Ireland is a member of the European Union (EU) and the European Monetary System (EMS). Therefore, commercial transactions and payment terms reflect common Western practices. Primary import payment considerations are determined by the financial reputation of an individual customer combined with competitive considerations. There are no commercial foreign-exchange limitations or unusual regulations. Countertrade is not required, but some international firms, on rare occasions, may offer offsets as part of a marketing and financial package, especially to sell large ticket items to government.

In May 1998, EU leaders agreed that Ireland, along with ten other EU countries, would proceed to the final stage of Economic and Monetary Union (EMU) as set out in the 1992 Maastricht Treaty. This decision followed confirmation by the European Commission and the European Monetary Institute (the forerunner to the European Central Bank) that Ireland had fulfilled the Maastricht criteria necessary for EMU entry with regard to control of government finances, inflation, interest rates and the exchange rate.

The Irish Pound (Punt) is freely convertible for both current and capital account transactions and there are no restrictions on the repatriation of profits by multinational companies operating in Ireland. From January 1, 1999, the Punt became a denominator of the new single European currency, the Euro. However, Euro notes and coins will not be issued into general circulation until 2002. The Punt’s conversion rate into the Euro is IP 0.787564: Euro 1.00. The punt-dollar exchange rate stands at IP 1.00: USD1.18 as of June 30, 2000.

Relationship with U.S. Banking System

Three U.S. commercial banks have subsidiaries in Ireland; Bank of America, Chase Manhattan Bank, and Citicorp-Citibank. The A.I.B. Group owns All First Financial Inc. of Maryland. There are numerous correspondent relationships among banks of both countries. Correspondent relationships have become more fluid in recent years as American banks increase or decrease charges to Irish banks. Other U.S. financial institutions have set up "Back Office" operations in Ireland, largely located in the International Financial Services Center (IFSC).

Export Financing and Insurance

U.S. firms requiring information on export financing should contact their local U.S. Department of Commerce Export Assistance Center or call 1-800-USA-TRAD(E). The major Irish banks operate the Eximbank's programs in Ireland.

The average Irish importer arranges import financing through his/her local branch bank manager. Experienced importers respect overseas vendors' payment terms. The domestic market operates quite differently with trade customers taking cash discounts and paying up to 90 or even 180 days after delivery. Occasionally, new importers attempt to apply domestic practices to the international market place.

All the normal methods of payment are available for export sales to Ireland through a well-developed banking sector. Competition, to a large degree, has required the use of liberal financing, as opposed to requiring payment on a letter of credit or cash basis.

Letters of credit can be used initially for new accounts with more liberal terms granted if justified by volume and customer reliability. Knowledge of industry practice and the customer is generally the prime consideration in deciding whether to use sight drafts, time drafts, or open accounts. Usual terms of sale are payment within 30 to 90 days after delivery, varying with the commodity and the credit standing of the purchaser.

Investment in Ireland

There are no restrictions on investments by foreign companies in new projects and existing entities in Ireland. Takeovers exceeding certain size limits must be approved by the Minister for Enterprise, Trade, and Employment. In such instances, the Minister will initiate an investigation of the takeover by the Irish Competition Authority prior to issuing a decision. No restrictions are imposed on the repatriation of capital and profits by foreign firms.

International firms investing in Ireland may take advantage of the generous investment incentives provided by the Irish government through IDA Ireland, the state organization responsible for attracting international investment into Ireland. These incentives include an attractive 10 percent corporate tax rate for qualifying industries guaranteed until December 31 2002, capital investment, R & D, and training grants; rent subsidy for industries in certain regions; and assistance in site location. The range of incentives is available to manufacturing companies and providers of international tradable services such as computer software, telemarketing, and financial services.

From January 1 2003, a corporation tax rate of 12.5 percent will apply to Irish trading profits in all sectors including manufacturing and international services. In the case of IFSC companies, the 10 percent corporate tax rate continues until 31 December 2005 for projects approved before August 1998.

CHAPTER IX

BUSINESS TRAVEL

Introduction

There is a significant sales potential for U.S. goods and services in Ireland. However, it is a highly competitive and developed market and the U.S. exporter must keep certain factors in mind to secure access and maximum success.

Business Courtesy

Given the close business, political and cultural relations between Ireland and the United States, there are substantial opportunities for U.S. firms in Ireland. However, the principles of customary business courtesy, especially replying promptly to sales orders and requests for price quotations, are a prerequisite for exporting success. In general, Irish business executives are less formal than their European counterparts and the use of first names at an early stage of a business relationship is acceptable. Friendship and mutual trust are highly valued and once an American has earned this trust, a productive working relationship can usually be expected.

Given Ireland's high level of international trade, Irish firms have a strong and increasing expertise in international business. Being in general a developed economy, Irish buyers appreciate quality and service and are willing to pay extra if they are convinced of a product's overall superiority. Care must be taken to ensure that delivery dates will be closely maintained and that after-sales service will be promptly honored. Irish buyers are concerned that after placing an order with an American supplier, the delivery date will not be honored. While there are numerous factors that may interfere with prompt shipment, the U.S. exporter must allow for additional shipping time and keep in close contact with the buyer. Meeting delivery schedules is of prime importance. It is much better to quote a later delivery date that can be guaranteed than an earlier one that is not completely certain. Since Irish wholesalers and retailers generally do a lower volume of business than their American counterparts, the U.S. exporter should be prepared to sell smaller lots than is the custom in the United States.

U.S. distributors should maintain close liaison with distributors and customers to exchange information and ideas. In most instances, mail, fax, or telephone communications are sufficient, but the understanding developed through periodic personal visits is the best way to keep distributors apprised of new developments and to resolve problems quickly. Prompt acknowledgement of correspondence by fax, e-mail, or air mail is recommended.

Furthermore, U.S. exporters should seriously consider warehousing in Ireland for expeditious supply and service for customers. A vigorous and sustained promotion is often needed to launch products because of buying habits. Products must be adapted to both technical requirements and to consumer preferences. It is not sufficient to merely label a product in conformity to national requirements for the development of the full market potential. Consumers must also be attracted to the product by the label and packaging as well as ease of use.

Travel Information

(A) Passport and Visas

Every U.S. traveler must have a valid passport. No visa is required of U.S. citizens visiting Ireland for less than three months, but one is required for longer periods. An American citizen entering Ireland for permanent residence must register with the Aliens Office of the Department of Justice, Equality, and Law Reform as soon as possible after entering the country. U.S. citizens planning to work in the country must first obtain a work permit from the Department of Enterprise, Trade and Employment. The permit is presented to immigration upon arrival. Such permits must be obtained by the employer and are usually granted only for specialized work. Management and skilled workers have no difficulty in obtaining the required work permits, which are renewable every 12 months.

(B) Currency

The basic monetary unit is the Irish Pound (IR£) also known as the Punt. The pound comes in paper currency of £5, £10, £20, £50 and £100 notes. The pound is subdivided into units of 100 pence. Coins are issued in 1, 2, 5, 10, 20, and 50 pence and 1 pound units.

Since January 1 2000, Ireland is a full member of the EURO-Zone and the Irish Pound was irrevocably fixed at a rate of IP 1.2124 against the EURO (1 EURO is worth IP 0.787564). Euro currency will be introduced from January 1, 2002 and local currency phased out over a six-week period. It is possible, however, to do business electronically in Euros. The EURO has fallen in value against the dollar and sterling since its launch. Its value changes with respect to the U.S. dollar. The financial section of the daily newspaper should be checked for the current exchange rate. The following are average IR£/US$ exchange rates for recent years; (IR£1.00 equals); 1995: $1.60, 1996: $1.60, 1997: $1.52, 1998: $1.42, 1999: $1.35. The IR£/USD exchange rate on September 15, 2000 was $1.10.

U.S. credit cards are usually accepted with proper identification such as a passport. Travelers checks are usually accepted but visitors should inquire about the policy of the bank, hotel, or store before seeking to cash a personal check. Irish banks may not accept US$100 bills. Business travelers should bring travelers checks, or cash in denominations of US$20 or less.

(C) European Dates and Numbers

In Ireland, as in the rest of Europe, dates are usually written in the sequence of day, month, and year. As an example, the date March 17, 1996 is usually found in written correspondence as 17 March 1996 or 17.3.1996. For currency or other numerical quantities, use commas to mark off the thousands position and a decimal point (period) to denote decimal amounts -- the same practice as followed in the United States; for example IR£1,234,456.78.

(D) Other Useful Information

Through the ease of telecommunications, e-mails and international calls are frequently the best method of arranging appointments and maintaining solid commercial relations. The time zone for Ireland is Greenwich Mean Time (GMT) or 5 hours ahead of the U.S. Eastern Standard Time (EST + 5 hours). Fax machines have increased the speed and ease of international communications and should be used to maintain strong business ties. Internet and e-mail connections may also be used as the number of Irish users of e-mail and those accessing the World Wide Web are increasing daily. At present, some 800,000 people access the internet in Ireland with over 50% accessing from home and some 40% at work.

Medical services are excellent at major hospitals and compare favorably with those in the United States. Common medical needs are readily obtained, and special supplies are normally available on short notice. An international certificate of vaccination is not required for travelers from the United States. Drinking water is excellent, most pharmaceuticals are available, and sanitation is at American standards.

Rental automobiles are available at numerous locations, but rates are usually more expensive than in the U.S. Less expensive rates may often be secured by booking reservations in the U.S. through one of the U.S. car rental agencies with fleets in Ireland. An international or state driving license is acceptable. Vehicle traffic direction moves on the left-hand side of the road and it may take the American visitor some time to adjust to this change. In addition, cross-county transportation must factor longer travel times because of the road system and necessary passage through small towns and villages.

Ireland has a wide and excellent range of restaurants. All the major international forms of cuisine are available in addition to local Irish recipes and there is a wide price range to cater for all wallets. The food service sector is well regulated and standards of hygiene in food preparation are high.

Tipping is as appropriate in Ireland as it is in the United States. Generally, for cabdrivers and waiters, 15 percent is the norm. Porters and bellhops receive 50 pence per piece of luggage.

The electric current in Ireland is alternating current, 50 cycle, 220 volts. American appliances, such as electric shavers or hair dryers, do not work and will be damaged if used without a converter and adaptor plug.

Because of the moderating influence of the Gulf Stream, medium to heavyweight clothes may be worn most of the year. Wool jackets and hats are ideal. A travel umbrella, rainwear and sturdy walking shoes should also be included in the wardrobe since there is occasional light rain ("liquid sunshine") and many "soft" days.

Both general and country specific travel information is available on the Department of State’s website (http://travel.state.gov).

Business Hours and Holidays

A 39-hour, 5-day workweek is the norm for offices and factories. For offices, the customary working hours are 9:00 a.m. to 5:30 p.m. with lunch from 1:00 p.m. to 2:00 p.m.; banking hours are from 10:00 to 4:00 p.m. with banks having various evening hours posted. Most retail stores are open from 9:00 a.m. to 6:00 p.m., Monday through Saturday, although some have later hours to permit evening shopping. Because of vacations in July and August, many Irish business executives may not be available except by appointment. Also, appointments may be difficult to schedule on Friday afternoons during the summer months, when extended weekends are often utilized. Most businesses also close from December 24 through January 2 during the Christmas festive period. Conservative business attire is recommended at all times. Suits, rather than blazers and slacks, are the norms. Business appointments are also required and visitors are expected to be punctual.

The following is a listing of the official statutory public holidays in Ireland when most commercial offices are closed. Certain other days are celebrated as holidays within local jurisdictions.

New Year's Day:	January 1
Saint Patrick's Day:	March 17
Easter Monday:	Variable (April 16, 2001)
May Holiday:	First Monday (May 7, 2001)
June Holiday:	First Monday (June 4, 2001)
August Holiday:	First Monday (August 6, 2001)
October Holiday:	Last Monday (October 29, 2001)
Christmas Day:	December 25
Saint Stephen's Day:	December 26

If New Year's Day, Saint Patrick's Day, Christmas Day, or Saint Stephen's Day fall on a weekend, the following Monday is a public holiday.

The U.S. Department of State publication "Key Officers of Foreign Service Posts: Guide for Business Representatives" is available for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, Tel: (202) 512-1800, Fax: (202) 512-2250. Business travelers to Ireland seeking appointments with U.S. Embassy Dublin officials should contact the Commercial Service (CS-Dublin) in advance. CS-Dublin can be reached by telephone at +353-1-667-4752 or by fax at +353-1-667-4754. It should be noted that both American and Irish public holidays are observed by the U.S. Embassy.

Business Infrastructure

(A) Telecommunications

An investment of over $3.0 billion has provided Ireland with a sophisticated digital telecommunications system which includes a direct dialing telephone service connecting every part of Ireland with over 90 percent of the rest of the world. There are over 1.5 million telephone lines on the public network and the current level of digitalization is 70 percent. Mobile telephony penetration is over 50% and the number of mobile subscribers, 1.8 million, exceeds fixed lines. A wide range of business services including point-to-multipoint data transmission, computer-to-computer file transfer networking, fax, telex, and video communications are offered by Eircom plc and BT Esat. U.S. calling cards such as AT&T, and Sprint may be used locally for making international calls. AT&T has a local office which can assist the U.S. visitor.

(B) Transportation

Ireland has four international airports (Dublin, Shannon, Cork, and Knock). In October 1993, the bilateral Air Transport Agreement between the U.S. and Ireland was amended to effectively end the mandatory transatlantic stopover at Shannon Airport. Both Irish and U.S. carriers can now operate both scheduled and charter air services directly to and from Dublin and to and from the U.S., provided they match these services on a one-for-one basis with direct Shannon flights on a yearly average basis. At present, Delta Air Lines and Continental Airlines are the only U.S. carriers operating scheduled air services between Ireland and the United States. However, Ireland-bound U.S. visitors often utilize United Airlines, American Airlines, and TWA gateways in the U.K. as Ireland and the U.K. have numerous daily air connections. Ireland also has six regional airports served by small aircraft and helicopters. These airports play an important role in meeting the tourism and transport needs of the regions.

While Ireland has more paved road on a per capita basis than any other country in the EU, it lacks an efficient network of highways. Ninety six percent of all inland passenger transport and over 90 percent of inland freight transport are conveyed by road. The balance is carried by rail. A 3,000 kilometer rail system provides passenger and freight services to most cities and main towns, including those in Northern Ireland.

(C) Accommodation

Ireland has a diverse range of accommodations from world class hotels to the more individualized and economical bed and breakfast (B&B) guesthouses. In view of the large number of visitors going to Ireland, business travelers are advised to make their hotel reservations well in advance, especially during the summer months, in order to assure the needed accommodations.

(D) Commercial Language

There are two official languages in Ireland -- Irish and English. While English is used predominantly, the Irish language (Gaelic) is also used in the western part of the country. Language barriers pose no problems. While English is normally used in business contracts and correspondence, some expressions and terms may have different meanings from those in the United States. To assure complete understanding, it is well to define unfamiliar terms. Reference to INCOTERMS, the international set of rules for commercial terms, helps to reduce possible misunderstandings.

CHAPTER X

APPENDICIES

APPENDIX A

DOMESTIC ECONOMY

	1996	1997	1998	1999	Source
-GDP (Current) (USDBn)	68.7	73.3	85.0	92.9	(a)
-GDP Growth Rate (%)	7.4	9.8	8.0	10.5	(a)
-GDP per capita (USD)	18,956	20,031	22,951	24,735	(a)
-Government spending as % of GDP	37.6	37.1	36.0	36.0	(b)
-Inflation (CPI) (%)	1.6	1.5	2.4	1.6	(a)
-Unemployment (%)	11.5	10.2	7.4	5.6	(c)
-Foreign Exchange Reserves (USDBn)	6.8	6.7	8.3	4.5	(a)
-Average Exchange Rate					
-- (USD1.00=punt)	0.63	0.66	0.70	0.74	(a)
-- (1 punt=USD)	1.60	1.52	1.43	1.35	(a)
-Foreign Debt (USDBn)	15.0	12.6	10.6	2.5	(a)
-Debt Service Ratio (ratio of principal and interest payments on foreign debt to foreign income)	NA	NA	NA	NA	(a)
-U.S. Economic Assistance (USDmn)	5.0	5.0	5.0	5.0	(d)
-U.S. Military Assistance (USDmn)	none	none	none	none	

Sources:

(a) Central Bank of Ireland

(b) OECD Economic Outlook, June 1997

(c) Irish Central Statistics Office

(d) International Fund for Ireland

APPENDIX B

TRADE STATISTICS

	1996	1997	1998	1999	Source
-Total exports (F.O.B. USDBn)	48.64	53.6	64.5	70.2	(a)
-Total imports (C.I.F. USDBn)	35.8	39.3	44.4	46.3	(a)
-Exports to U.S. (C.I.F. USDBn)	4.48	5.8	8.72	10.9	(a)
-Imports from U.S. (F.A.S. USDBn)	5.5	5.3	7.1	7.6	(a)
-U.S. share of Irish imports (%)	15.4	13.4	18.0	16.4	(a)

Sources:

(a) Central Statistics Office, Ireland

CHAPTER XI

U.S. AND COUNTRY CONTACTS

Irish Government Departments

Organization: Department of Agriculture and Food
Contact Name: Mr. John Malone, Secretary General
Address: Kildare Street, Dublin 2.
Phone: 011-353-1-607-2000
Fax: 011-353-1-661-6263
Website: www.irlgov.ie/daff

Organization: Department of Defence

Contact Name: Mr. David J. O'Callaghan, Secretary General
Address: Parkgate, Infirmary Road, Dublin 7
Phone: 011-353-1-804-2000
Fax: 011-353-1-670-3399
Website: www.irlgov.ie/defence

Organisation: Department of Enterprise, Trade and Employment
Contact Name: Mr. Paul Haran, Secretary General
Address: Kildare Street, Dublin 2
Phone: 011-353-1-631-2121
Website: www.irlgov.ie/entemp

Organization: Department of the Environment and Local Government
Contact Name: Mr. Jimmy Farrelly, Secretary General
Address: Custom House, Dublin 1.
Phone: 011-353-1-888-2000
Fax: 011-353-1-888-2888
Website: www.environ.ie

Organization: Department of Finance
Contact Name: Mr. Paddy Mullarkey, Secretary General
Address: Government Buildings, Upper Merrion Street, Dublin 2.
Phone: 011-353-1-676-7571
Fax: 011-353-1-678-9936/676-7335
Website: www.irlgov.ie/finance

Organization: Department of Health and Children
Contact Name: Mr. Michael Kelly, Secretary General
Address: Hawkins House, Dublin 2.
Phone: 011-353-1-635-4000
Fax: 011-353-1-635-4001
Website: www.doh.ie

Organization: Department of the Marine and Natural Resources
Contact Name: Mr. Thomas Carroll, Secretary General
Address: Leeson Lane, Dublin 2.
Phone: 011-353-1-619-9200
Fax: 011-353-1-661-8214

Website: www.irlgov.ie/marine

Organization: Department of Public Enterprise
Contact Name: Mr. Brenda Tuohy, Secretary General
Address: 44 Kildare Street, Dublin 2.
Phone: 011-353-1-670-7444
Fax: 011-353-1-670-9633
Website: www.irlgov.ie/tec

Organization: Department of Tourism, Sport & Recreation
Contact Name: Ms. Margaret Hayes, Secretary General
Address: Kildare Street, Dublin 2.
Phone: 011-353-1-631-3800
Fax: 011-353-1-676-4334
Website: www.irlgov.ie/tourism-sport

Organization: Office of the Revenue Commissioners
Contact Name: Mr. Dermot Quigley, Chairman
Address: Dublin Castle, Dublin 2.
Phone: 011-353-1-679-2777
Fax: 011-353-1-671-1826
Website: www.revenue.ie

State-Sponsored Organizations

Organization: Aer Lingus Group plc
Contact Name: Mr. Bernie Cahill, Chairman
Address: Dublin Airport, Co. Dublin.
Phone: 011-353-1-886 2222
Fax: 011-353-1-886 3832
Website: www.aerlingus.ie

Organization: Aer Rianta
Contact Name: Mr. John Burke, Chief Executive

Address: Dublin Airport, Co. Dublin.
Phone: 011-353-1-814-1111
Fax: 011-353-1-844-5386
Website: www.aer-rianta.com

Organization: An Bord Bia (The Irish Food Board)
Contact Name: Mr. Michael Duffy, Chief Executive
Address: Clanwilliam Court, Lower Mount Street, Dublin 2.
Phone: 011-353-1-668-5155
Fax: 011-353-1-668-7521
Website: www.bordbia.ie

Organization: Bord Gais Eireann (The Irish Gas Board)
Contact Name: Mr. Gerry Walsh, Chief Executive
Address: P.O. Box 51, Inchera, Little Island, Co. Cork
Phone: 011-353-21-524000
Fax: 011-353-21-524240
Website: www.bge.ie

Organization: Coillte Teoranta (Irish Forestry Board)
Contact Name: Mr. Martin D. Lowery, Chief Executive
Address: Leeson Lane, Dublin 2.
Phone: 011-353-1-661-5666
Fax: 011-353-1-678-9527
Website: www.coillte.ie

Organization: Companies Registration Office
Contact Name: Mr. Paul Farrell, Registrar of Companies
Address: Parnell House, Parnell Square, Dublin 1.
Phone: 011-353-1-804-5200
Fax: 011-353-1-804-5222

Organization: The Competition Authority
Contact Name: Mr. John Fingleton, Chairman
Address: Parnell House, Parnell Square, Dublin 1.
Phone: 011-353-1-804-5400
Fax: 011-353-1-804-5401

Organization: Coras Iompair Eireann (CIE) [Irish Public Transport Authority]
Contact Name: Mr. Michael P. McDonnell, Group Chief Executive
Address: Heuston Station, Dublin 8.
Phone: 011-353-1-677-1871

Fax:	011-353-1-703-2276
Website:	www.cie.ie

Organization:	Electricity Supply Board (ESB)
Contact Name:	Mr. Ken O’Hara, Chief Executive
Address:	Lower Fitzwilliam Street, Dublin 2.
Phone:	011-353-1-676-5831
Fax:	011-353-1-676-0727
Website:	www.esb.ie

Organization:	Environmental Protection Agency
Contact Name:	Mr. Liam McCumiskey, Chairman, Director General
Address:	Ardcavan, Wexford.
Phone:	011-353-53-60600
Fax:	011-353-53-60699
E-mail:	info@epa.ie
Website:	www.epa.ie

Organization:	Enterprise Ireland
Contact Name:	Mr. Dan Flinter, Chief Executive
Address:	Wilton Park House, Wilton Place, Dublin 2.
Phone:	011-353-1-857-0000
Fax:	011-353-1-808-2020
E-mail:	client.service@enterprise-ireland.com
Website:	www.enterprise-ireland.com

Organization:	Forfas (The Policy and Advisory Board for Industrial Development in Ireland)
Contact Name:	Mr. John Travers, Chief Executive
Address:	Wilton Park House, Wilton Place, Dublin 2.
Phone:	011-353-1-607-3000
Fax:	011-353-1-607-3030
Website:	www.forfas.ie

Organization:	IDA Ireland (Industrial Development Agency)
Contact Name:	Mr. Sean Dorgan, Chief Executive
Address:	Wilton Park House, Wilton Place, Dublin 2.
Phone:	011-353-1-603-4000
Fax:	011-353-1-603-4040
E-mail:	idaireland@ida.ie
Website:	www.idaireland.com

Organization:	Information Society Commission
Contact Name:	Ms. Brenda Boylan, Secretary
Address:	State Apartments, Dublin Castle, Dublin 2
Phone:	011-353-1-670-3092
Fax:	011-353-1-670-9073
E-mail:	info@infosocomm.ie
Website:	www.infosocomm.ie

Organization:	Irish Aviation Authority
Contact Name:	Mr. Brian D. McDonnell, Chief Executive
Address:	Aviation House, Hawkins Street, Dublin 2.
Phone:	011-353-1-671-8655/603-1100
Fax:	011-353-1-679-2934
Website:	www.iaa.ie

Organization:	The Marine Institute
Contact Name:	Dr. Peter Heffernan, Chief Executive
Address:	80 Harcourt Street, Dublin 2.
Phone:	011-353-1-478-0333
Fax:	011-353-1-478-4988
Website:	www.marine.ie

Organization:	The National Roads Authority
Contact Name:	Mr. Michael Tobin, Chief Executive
Address:	St. Martin's House, Waterloo Road, Dublin 4.
Phone:	011-353-1-660-2511
Fax:	011-353-1-668-0009
E-mail:	info@nra.ie
Website:	www.nra.ie

Organization:	Office of the Director of Telecommunications Regulation
Contact Name:	Ms. Etain Doyle, Director
Address:	Abbey Court, Irish Life Centre, Lower Abbey Street, Dublin 1.
Phone:	011-353-1-804-9600
Fax:	011-353-1-804-9680
Website:	www.odtr.ie

Organization:	Radio Telefis Eireann (Irish Broadcasting Organization)
Contact Name:	Mr. Bob Collins, Director General
Address:	Donnybrook, Dublin 4.
Phone:	011-353-1-208-3111

Fax:	011-353-1-208-3080
Website:	www.rte.ie

Organization:	Shannon Free Airport Development Company Ltd (SFADCO)
Contact Name:	Mr. Paul Sheane, Chief Executive
Address:	Town Centre, Shannon, Co. Clare
Phone:	011-353-61-361555
Fax:	011-353-61-361903
Website:	www.shannon-dev.ie

Organization:	Eircom plc (Irish Telecommunications Organization)
Contact Name:	Mr. Alfie Kane, Chief Executive
Address:	St. Stephens Green West, Dublin 2.
Freephone:	011-353-1-671-444
Fax:	011-353-1-701-0186
Website:	www.eircom.ie

Organization:	Udaras na Gaeltachta (Gaeltacht Regional Development Authority)
Contact Name:	Mr. Ruan O'Bric, Chief Executive
Address:	Na Forbacha, Galway
Phone:	011-353-91-503100
Fax:	011-353-91-503101
Website:	www.udaras.ie

Major Irish Banks

Organization:	A.I.B. Group
Contact Name:	Mr. Tom Mulcahy, Group Chief Executive
Address:	Bankcentre, Ballsbridge, Dublin 4.
Phone:	011-353-1-660-0311
Fax:	011-353-1-660-9317
Website:	www.aib.ie

Organization:	Bank of Ireland Group
Contact Name:	Mr. Maurice Keane, Group Chief Executive
Address:	Lower Baggot Street, Dublin 2.
Phone:	011-353-1-661-5933
Fax:	011-353-1-661-5675
Website:	www.bankofireland.ie

Organization:	Ulster Bank Limited
Contact Name:	Mr. Martin Wilson, Group Chief Executive
Address:	Ulster Bank Group Centre, 33 College Green, Dublin 2.
Phone:	011-353-1-677-7623
Fax:	011-353-1-702-5350
Website:	www.ulsterbank.com

Trade Associations

Organization:	Association of Consulting Engineers of Ireland
Contact Name:	Ms. Anne Potter, Executive Director
Address:	51 Northumberland Road, Ballsbridge, Dublin 4
Phone:	011-353-1-660-0374
Fax:	011-353-1-668-2595
Website:	www.acei.ie

Organization:	The Construction Industry Federation
Contact Name:	Mr. Liam B. Kelleher, Director General
Address:	Construction House, Canal Road, Dublin 6.
Phone:	011-353-1-497-7487
Fax:	011-353-1-496-6953
Website:	www.cif.ie

Organization:	Electro-Technical Council of Ireland (ETCI)
Contact Name:	Mr. P. Hession, Administrator
Address:	Unit 43, Parkwest Business Park, Dublin 12
Phone:	011-353-1-623 9901
Fax:	011-353-1-623 9903
Website:	www.etci.ie

Organization:	The Institution of Engineers of Ireland
Contact Name:	Mr. Paddy Purcell, Director General
Address:	22 Clyde Road, Ballsbridge, Dublin 4.
Phone:	011-353-1-668-4341/668-9673
Fax:	011-353-1-668-5508
Website:	www.iei.ie

Organization:	Irish Business and Employers Confederation (IBEC)
Contact Name:	Mr. Turlough O’Sullivan, Director General
Address:	Confederation Hse., 84-86 Lower Baggot Street, Dublin 2
Phone:	011-353-1-660-1011

Fax:	011-353-1-660-1717
Website:	www.ibec.ie

Organization:	Irish Direct Marketing Association
Contact Name:	Ms. Ger Doherty, Chairman
Address:	The Powerhouse, Pigeon House Harbour, Dublin 4.
Phone:	011-353-1-668-7155
Fax:	011-353-1-668-7945

Organization:	Irish Farmers' Association (IFA)
Contact Name:	Mr. Michael Berkery, General Secretary
Address:	Irish Farm Centre, Bluebell, Dublin 12.
Phone:	011-353-1-450-0266
Fax:	011-353-1-455-1043
Website:	www.ifa.ie

Organization:	Irish Franchise Association
Contact Name:	Mr. Bill Holohan
Address:	88 Ranelagh Road, Dublin 6
Phone:	011-353-1-491-1915
Fax:	011-353-1-491-1916
E-mail:	bha@indigo.ie

Organization:	Irish Hardware Association
Contact Name:	Mr. James Goulding, Secretary General
Address:	Elmville, Upper Kilmacud Road, Dundrum, Dublin 14.
Phone:	011-353-1-298-0969
Fax:	011-353-1-298-6103
Website:	www.irishhardware.ie

Organization:	Irish Medical Organization
Contact Name:	Dr. George McNeice, Chief Executive
Address:	10 Fitzwilliam Place, Dublin 2
Phone:	011-353-1-676-7273
Fax:	011-353-1-661-2758
Website:	www.imo.ie

Organization:	Irish Travel Agents Association
Contact Name:	Mr. Brendan Moran, Chief Executive
Address:	3rd Floor, Heaton House, 32 S. William Street, Dublin 2.
Phone:	011-353-1-679-4089
Fax:	011-353-1-671-9897

Website:	www.itaa@iol.ie

Organization:	National Dairy Council
Contact Name:	Mr. Aidan McCarthy, Chief Executive
Address:	Grattan House, Lower Mount Street, Dublin 2.
Phone:	011-353-1-661-9599
Fax:	011-353-1-662-0379
Website:	www.idb.ie

Organization:	Retail, Grocery, Dairy & Allied Trades' Association (RGDATA)
Contact Name:	Mr. M. G. Campbell, Director General
Address:	Rock House, Main Street, Blackrock, Co. Dublin.
Phone:	011-353-1-288-8313
Fax:	011-353-1-283-2206
E-mail:	info@rgdata.ie

Organization:	The Society of the Irish Motor Industry (SIMI)
Contact Name:	Mr. Cyril McHugh, Chief Executive
Address:	5 Upper Pembroke Street, Dublin 2.
Phone:	011-353-1-676-1690
Fax:	011-353-1-661-9213
Website:	www.simi.ie

Other Organizations

Organization:	The Chambers of Commerce of Ireland
Contact Name:	Mr. Simon Nugent, Chief Executive
Address:	22 Merrion Square, Dublin 2.
Phone:	011-353-1-661-2888
Fax:	011-353-1-661-2811
Website:	www.chambersireland.ie

Organization:	Irish Congress of Trade Unions (ICTU)
Contact Name:	Mr. Peter Cassells, General Secretary
Address:	31-32 Parnell Square, Dublin 1
Phone:	011-353-1-889-7777
Fax:	011-353-1-887-2012
Website:	www.ictu.ie

Organization:	Irish Management Institute (IMI)
Contact Name:	Mr. Barry Kenny, Chief Executive

Address:	National Management Centre, Sandyford Road, Dublin 16.
Phone:	011-353-1-207-8400
Fax:	011-353-1-295-5150
Website:	www.imi.ie

Organization:	The Marketing Institute
Contact Name:	Mr. John Casey, Chief Executive
Address:	South County Business Park, Leopardstown, Dublin 18.
Phone:	011-353-1-295-2355
Fax:	011-353-1-295-2453
Website:	www.mii.ie

Organization:	American Chamber of Commerce, Ireland
Contact Name:	Mr. Ms. M. Clare O'Connor, Executive Director
Address:	6 Wilton Place, Dublin 2
Phone:	011-353-1-661-6201
Fax:	011-353-1-661-6217
E-mail:	amcham@iol.ie

U.S. Embassy Trade Related Contacts

Organization:	The Commercial Service (CS-DUBLIN)
Contact Name:	Mr. William H. Crawford, Commercial Attache
Address:	U.S. Embassy, 42 Elgin Road, Ballsbridge, Dublin 4.
Phone:	011-353-1-667-4752
Fax:	011-353-1-667-4754
E-mail:	Bill.Crawford@mail.doc.gov

Organization:	Political/Economic Office (PEO)
Contact Name:	Mr. Richard Mills, Economic Officer
Address:	U.S. Embassy, 42 Elgin Road, Ballsbridge, Dublin 4.
Phone:	011-353-1-668-8054
Fax:	011-353-1-667-0056

Organization:	U.S. Foreign Agricultural Service
Contact Name:	Mr. Michael Hanley, Agricultural Specialist
Address:	U.S. Embassy, 42 Elgin Road, Ballsbridge, Dublin 4.
Phone:	011-353-1-668-7122
Fax:	011-353-1-668-7423
E-mail:	agdublin@indigo.ie

Washington-based USG Country Contacts

Organization:	Office of Market Access & Compliance (MAC)
Contact Name:	Mr. Robert McLaughlin, Ireland Desk Officer
Address:	U.S. Department of Commerce, Room H-3039, 14th Street & Constitution Avenue, N.W., Washington, D.C. 20230
Phone:	(202) 482-3748
Fax:	(202) 482-2897
Web:	www.ita.doc.gov

Organization:	EUR/UBI
Contact Name:	Mr.Frank Kerber, Desk Officer for Ireland
Address:	U.S. Department of State, Room 4513, 2201 C Street, N.W., Washington, D.C. 20520-4513
Phone:	(202) 647-6585
Fax:	(202) 647-3463

Organization:	TPCC Trade Information Center
Address:	U.S. Department of Commerce, 14th Street & Constitution Avenue, N.W., Washington, D.C. 20230
Phone:	1-800-USA-TRAD(E)
Fax:	(202) 482-4473

Organization:	Foreign Agricultural Service
Contact:	Office of Outreach and Exporter Assistance
Address:	U.S. Department of Agriculture, Stop 1002, 1400 Independence Avenue, S.W., Washington, D.C., 20250-1002
Phone:	(202) 720-7420
Fax:	(202) 205-9728
Website:	www.fas.usda.gov

Organization:	Office of Business Affairs
Address:	U.S. Department of State, 2201 C Street, N.W., Washington, D.C. 20520
Phone:	(202) 647-1625
Fax:	(202) 647-3953

Organization:	Overseas Private Investment Corporation (OPIC)
Contact:	Information Officer
Address:	1100 New York Avenue, Washington, D.C. 20527
Phone:	(202) 336-8799

Fax: (202) 408-5155

U.S.-based Multipliers relevant for Ireland

Organization:	Ireland Chamber of Commerce in the United States (ICCUSA)
Contact Name:	Mr. Maurice Buckley, President and CEO
Address:	1305 Post Road, Suite 205, Fairfield, CT 06430.
Phone:	(203) 255-1630
Fax:	(203) 255-6752
Web:	www.iccusa.org

Organization:	Ireland-U.S. Council for Commerce & Industry, Inc.
Contact Name:	Mr. David C. O'Sullivan, Executive Director
Address:	1156 Avenue of the Americas, NY, NY, 10036
Phone:	(212) 921-1414
Fax:	(212) 730-2232

Major Irish Newspapers

Publication:	Irish Independent
Contact Name:	Mr. Liam Healy, Chief Executive
Address:	Independent Newspapers (Ireland) Ltd., Middle Abbey Street, Dublin 1.
Phone:	011-353-1-705-5333
Fax:	011-353-1-873-1787
Website:	www.independent.ie

Publication:	Irish Times
Contact Name:	Mr. L. O'Neill, Chief Executive/Group Managing Director
Address:	10-16 D'Olier Street, Dublin 2.
Phone:	011-353-1-675-8000
Fax:	011-353-1-679-3910
Website:	www.ireland.com

Publication:	The Examiner
Contact Name:	Mr. Brian Looney, Editor
Address:	Examiner Publications Ltd., P.O. Box 21, Academy Street, Cork.
Phone:	011-353-21-272722
Fax:	011-353-21-275112
Website:	www.examiner.ie

Publication:	Sunday Independent
Contact Name:	Mr. Aengus Fanning, Editor
Address:	Independent Newspapers (Ireland) Ltd., Middle Abbey Street, Dublin 1.
Phone:	011-353-1-705-5333
Fax:	011-353-1-705-5779
Web:	www.independent.ie

Publication:	Sunday Tribune
Contact Name:	Mr. Matt Cooper, Editor
Address:	15 Lower Baggot Street, Dublin 2.
Phone:	011-353-1-661-5555
Fax:	011-353-1-661-5302
E-mail:	editorial@tribune.ie

Publication:	Sunday Business Post
Contact Name:	Mr. Damien Kiberd, Editor
Address:	80 Harcourt Street, Dublin 2
Phone:	011-353-1-602-6000
Fax:	011-353-1-679-6496/679-6498
Website:	www.sbpost.ie

Major Business Journals

Publication:	Business and Finance
Contact Name:	Mr. John McGee, Managing Director & Editor
Address:	Belenos Publications, 50 Fitzwilliam Square, Dublin 2.
Phone:	011-353-1-676-4587
Fax:	011-353-1-661-9781
Website:	www.businessandfinance.ie

Publication:	Checkout Ireland Magazine
Contact Name:	Ms. Mary Brophy, Editor
Address:	Checkout Publications Ltd., 1-3 Dumgar Terrace, Dun Laoghaire, Co. Dublin
Phone:	011-353-1-230-0322
Fax:	011-353-1-230-0629
Website:	www.checkout.ie

Publication:	Comms Today
Contact Name:	Mr.Aongus Collins, Editor
Address:	Computer Publications Group, CPG House, Glenageary Office Park, Dun Laoghaire, Co. Dublin.
Phone:	011-353-1-284-7777
Fax:	011-353-1-284-7584
Website:	www.commstoday.com

Publication:	Irish Computer
Contact Name:	Mr. Brian Skelly, Editor
Address:	Computer Publications Group, CPG House, Glenageary Office Park, Dun Laoghaire, Co. Dublin.
Phone:	011-353-1-284-7777
Fax:	011-353-1-284-7584
Website:	www.irishcomputer.com

Publication:	Irish Farmers Journal
Contact Name:	Mr. Matt Dempsey, Editor/Chief Executive
Address:	Irish Farm Centre, Bluebell, Dublin 12.
Phone:	011-353-1-450-1166
Fax:	011-353-1-452-0876
Website:	www.farmersjournal.ie

Publication:	Irish Hardware Magazine
Contact Name:	Mr. Jeremy Hennessy, Editor
Address:	Jemma Publications, Marino House, 52 Glasthule Road, Sandycove, Co. Dublin.
Phone:	011-353-1-280-0000
Fax:	011-353-1-280-1818
E-mail:	edit@jemma.ie

Publication:	Irish Medical Times
Contact Name:	Dr. John O'Connell, Editor
Address:	Medical Publications (Ireland) Ltd., 15 Harcourt Street, Dublin 2.
Phone:	011-353-1-475-7461
Fax:	011-353-1-475-7467
Website:	www.imt.ie

Publication:	Irish Travel Trade News
Contact Name:	Mr. Michael Flood, Editor
Address:	9 Western Parkway Business Centre, Ballymount Road, Dublin 12.
Phone:	011-353-1-450-2422

Fax:	011-353-1-450-2954
Website:	www.ico.ie

Publication:	Technology Ireland
Contact Name:	Mr. Tom Kennedy, Joint Editor
Address:	Enterprise Ireland, Glasnevin, Dublin 9.
Phone:	011-353-1-808-2287
Fax:	011-353-1-808-2227
Website:	www.enterprise-ireland.com

Market Research Firms

Organization:	Behaviour and Attitudes Ltd.
Contact Name:	Mr. Des Byrne, Director
Address:	26 Burlington Road, Dublin 4.
Phone:	011-353-1-668-2299
Fax:	011-353-1-668-2820
E-mail:	info@behatt.ie

Organization:	Envision Management Consultants Ltd.
Contact Name:	Mr. Ray Collis. Manager
Address:	Envision House, Flood Street, Galway.
Phone:	011-353-91-568185
Fax:	011-353-91-568510
E-mail:	envision@iol.ie

Organization:	Irish Marketing Surveys (IMS)
Contact Name:	Mr. Eamonn F. Williams, Managing Director
Address:	20-21 Upper Pembroke Street, Dublin 2.
Phone:	011-353-1-676-1196
Fax:	011-353-1-676-0877
Website:	www.imsl.ie

Organization:	Lansdowne Market Research Ltd.
Contact Name:	Mr. Roger Jupp, Managing Director
Address:	49 St. Stephen’s Green, Dublin 2.
Phone:	011-353-1-661-3483
Fax:	011-353-1-661-3479
E-mail:	lansdown@iol.ie

Organization:	MRBI Ltd.

Contact Name:	Mr. Ian McShane, Managing Director
Address:	Temple House, Blackrock, Co. Dublin.
Phone:	011-353-1-278-1011
Fax:	011-353-1-278-1022
Website:	www.tnsofres.com

Organization:	Quaestus Ltd.
Contact Name:	Mr. Darach McEvoy, Managing Director
Address:	11 Clanwilliam Square, Dublin 2.
Phone:	011-353-1-676-0922
Fax:	011-353-1-676-0840
Website:	www.quaestus.ie

Trade Directories

Publication:	American Business Directory
Contact:	The Administrator
Address:	American Chamber of Commerce, Ireland, 6 Wilton Place, Dublin 2.
Phone:	011-353-1-661-6201
Fax:	011-353-1-661-6217
E-mail:	amcham@iol.ie

Publication:	Kompass Ireland (Register of Industry & Commerce)
Contact Name:	Mr. Patrick Cody, Joint Managing Director
Address:	Kompass House, Parnell Court, 1 Granby Row, Dublin 1.
Phone:	011-353-1-872-8800
Fax:	011-353-1-873-3711
Website:	www.kompass.ie

Publication:	The Marketing Guide to Ireland
Contact Name:	Ms. Beverley Ivers
Address:	Dun & Bradstreet Ltd., P.O. Box 455A, Holbrook House, Holles Street, Dublin 2.
Phone:	011-353-1-676-4239
Fax:	011-353-1-678-9301
Website:	www.dbireland.com

CHAPTER XII

MARKET RESEARCH - IRELAND

1. CS-Dublin Market Research

CS-Dublin’s market research program consists of Industry Sub-Sector Analyses (ISA) and International Market Insight (IMI) reports. The following are listings of reports completed in FY 2000 and planned for FY 2001.

FY'00

Report Type	Report Title
ISA	Automobiles
IMI	An Overview of the Medical Equipment Market
IMI	The $52 billion Ireland National Development Plan, 2000-2006
IMI	The Telecommunications Market in Ireland
IMI	Infrastructural Projects in the Irish Telecoms Sector
IMI	Transportation Infrastructural Projects in Ireland
IMI	Environmental Infrastructural Projects in Ireland
IMI	The Computer Hardware Market in Ireland
IMI	The Computer Software Market in Ireland
IMI	The Irish Tourism Infrastructure Industry
IMI	Medical Infrastructure Projects in Ireland
IMI	The ICT Sector in Ireland
IMI	The Market for Regional/Business Aircraft in Ireland
IMI	Road Transportation Projects in Ireland
IMI	Public Transportation Projects in Ireland
IMI	E-Commerce in Ireland
IMI	The Energy Sector in Ireland
IMI	The Automotive Parts & Equipment Market
IMI	Update on the Franchise Sector
IMI	Medical Equipment Market Update
IMI	Travel & Tourism Market Update
IMI	Packaging of Pharmaceuticals for the Irish Market
IMI	Major Ireland Health Services Projects
IMI	Household Consumer Goods Market Update
IMI	Drugs/Pharmaceuticals Market Update
IMI	Dublin’s Light Rail & Metro Systems
IMI	Airport Development Opportunities

FY'01

Report Type	Report Title
ISA	Value Added Telecommunications Services
ISA	Aircraft Maintenance Tools & Equipment
ISA	Wireless Commerce
ISA	Franchising
IMI	Energy Services in Ireland
IMI	Water Treatment Equipment & Services
IMI	Internet Security

CS-Dublin's Market Research reports are available for U.S. exporters from the National Trade Data Bank's CD-ROM or via the Internet. Please contact STAT-USA at 1800-STAT-USA for more information. Post's market research reports can be accessed via the World Wide Web at http://www.usatrade.gov; http://www.stat-usa.gov; and http://www.sce.doc.gov.

2. FAS-Dublin Agricultural Reports

FY'00

Report Title:	Dairy Products Annual Report
Report Title:	Foreign Buyer List - Update
Report Title:	Dairy Products Semi-Annual Report
Report Title:	Exporter Guide
Report Title:	Livestock and Meat Annual Report
Report Title:	Importers of U.S. Agricultural and Food Products - Update
Report Title:	Retail Food Sector report
Report Title:	Market Brief: The Irish Wine Market

FY'01

Report Title:	Dairy Products Annual Report

Report Title: Dairy Products Semi-Annual Report
Report Title: Livestock and Meat Annual Report
Report Title: Exporter Guide
Report Title: Foreign Buyer List - Update
Report Title: Competitor Annual Report
Report Title: Retail Food Sector report
Report Title: Importers of U.S. Agricultural and Food Products - Update
Report Title: Selling Your Foods in Ireland: Helpful Hints and Contacts

FAS-Dublin's Agricultural reports are available on the National Trade Data Bank (NTDB). For information and phone orders for the NTDB, call the NTDB help line: (202) 482-1986.

CHAPTER XIII

TRADE EVENT SCHEDULE - IRELAND

A. CS-Dublin Trade Event Schedule

(1) Event Name: Holiday World 2001
(2) Event ID No.: NA
(3) Event Location: RDS, Ballsbridge, Dublin, Ireland
(4) Industry Theme: Travel & Tourism
(5) Event Dates: 25-28 January, 2001
(6) Type of Event: USA Pavilion – Consumer/Trade Fair
(7) Recruiter: U.S. Commercial Service
(8) No. of U.S. Participants: 40

(1) Event Name: Virginia Gold Keys Mission
(2) Event ID No.: NA
(3) Event Location: Dublin, Ireland
(4) Industry Theme: Multi-sectoral
(5) Event Dates: April 5-6, 2001
(6) Type of Event: Gold Keys/Matchmaking Trade Mission
(7) Recruiter: VA
(8) No. of U.S. Participants: 10

(1) Event Name: South Carolina Small Business Mission
(2) Event ID No.: NA

(3) Event Location: Dublin, Ireland
(4) Industry Theme: Multi-sectoral
(5) Event Dates: May 17-19 2001
(6) Type of Event: Gold Keys/Matchmaking Trade Mission
(7) Recruiter: Presbyterian College, SC
(8) No. of U.S. Participants: 15

(1) Event Name: New Hampshire Trade Mission
(2) Event ID No.: NA
(3) Event Location: Dublin, Ireland
(4) Industry Theme: Multi-sectoral
(5) Event Dates: June 2001
(6) Type of Event: Matchmaking Trade Mission
(7) Recruiter: State of New Hampshire Department of Resources & Economic Development
(8) No. of U.S. Participants: 15

Notes:

1) U.S. firms interested in the above events should consult the Export Promotion Calendar on the NTDB, or contact CS-Dublin for the latest information.

2) Information on supplemental trade promotion events and activities is contained in Section C below.

B. Showcase Europe Trade Event Schedule

To assist the implementation of the Commercial Service's "Showcase Europe" strategy, CS-Dublin supports and promotes attendance at U.S. Pavilions at selected Showcase Europe Tier I trade events within the Irish business community. Post's promotional efforts encourage utilization of the Commercial Service's matchmaking services by Irish visitors at trade events in the Aerospace, Automotive, Energy, Environmental Technology, Franchising, Information & Communications Technology, Medical & Pharmaceutical, and Travel & Tourism sectors. The following is the list of Tier I events within the Showcase Europe strategy which will be supported by CS-Dublin during FY'2001.

(1) Event Name: Medtrade 2000/NHHCE
(2) Event Dates: 3-6 October, 2000

(3) Event Location: Orlando, Florida
(4) Industry Theme: Home Healthcare
(5) Type of Event: Trade Fair (International Buyer Program status)

(1) Event Name: Weftec 2000
(2) Event Dates: October 14-18, 2000
(3) Event Location: Anaheim, California
(4) Industry Theme Environmental
(5) Type of Event: Trade Fair

(1) Event Name: AAIW 2000
(2) Event Dates: November, 2001
(3) Event Location: Las Vegas, NV
(4) Industry Theme Automotive
(5) Type of Event: Trade Fair

(1) Event Name: Medica 2000 – International Trade Fair
(2) Event Dates: November 22-25, 2000
(3) Event Location: Dusseldorf, Germany
(4) Industry Theme: Medical Equipment
(5) Type of Event: Trade Fair

(1) Event Name: ITB Berlin International Tourism Exchange
(2) Event Dates: March 3-7, 2001
(3) Event Location: Berlin, Germany
(4) Industry Theme: Travel & Tourism
(5) Type of Event: Trade Fair

(1) Event Name: CeBIT 2001
(2) Event Dates: March 2001
(3) Event Location: Hanover, Germany
(4) Industry Theme: Information Technology
(5) Type of Event: Trade Fair

(1) Event Name: International Franchise Expo (IFE)
(2) Event Dates: April/May, 2001
(3) Event Location: TBD
(4) Industry Theme: Franchising
(5) Type of Event: Trade Fair

(1) Event Name: Discover America Int'l POW WOW
(2) Event Dates: May 5-9, 2001

(3) Event Location: Orlando, Florida
(4) Industry Theme: Travel & Tourism
(5) Type of Event: Trade Fair

(1) Event Name: Envitec
(2) Event Dates: May 14-19, 2001
(3) Event Location: Dusseldorf, Germany
(4) Industry Theme: Environmental Engineering/Waste Management
(5) Type of Event: Trade Fair

(1) Event Name: Paris Air Show
(2) Event Dates: June, 2001
(3) Event Location: Le Bourget, France
(4) Industry Theme: Aerospace
(5) Type of Event: Biennial International Trade Fair

C. Other Trade Event Promotion

CS-Dublin will support sector-specific missions led by State and U.S. trade associations to Ireland. The International Buyer Program events within and beyond both Post's 15 Best Prospect and the 8 Priority Sectors of the Showcase Europe strategy will continue to be supported and promoted during FY'01.

In implementing its commercial program CS-Dublin will continue to work with the Irish Industrial Development Authority (IDA-Ireland), Enterprise Ireland, Shannon Development, the American Chamber of Commerce in Ireland (The SCO is the Patron's Representative on the Amcham Board), the Chambers of Commerce in Ireland, the Irish Business and Employers Confederation (IBEC) and other industry and academic organizations, including the AIB, Bank of Ireland, et al. accounting, financial and other firms with U.S. interests. Many of the aforementioned multiplier groups are utilized to broaden outreach and consensus with Irish trade organizations, in the effort to enhance trade, export-led investment, and other U.S.-Ireland commercial alliances.

CS-Dublin will provide support, where possible, for any visits by officials from individual U.S. states. In addition, CS-Dublin supports other industry and Irish government organized trade delegations/missions to Ireland which are not certified by the U.S. Department of Commerce. Post's support of these events generally entails presentations by the SCO and staff as well as assistance in logistical arrangements and occasional help in securing sponsors.

CS-Dublin plans on continuing its practice of recruiting and utilizing the services of graduate and 4th year undergraduate business students, having quality credentials, as interns to assist in the implementation of its FY'01 CCG.