

Why Ireland?

Summary

Located in: Western Europe

Capital: Dublin (population 1.1 million – estimated that more than 50% younger than age 25.)

Area: 70,273 km²

Official languages: Irish (Gaeilge); English

Population: 4.6 million (forecast 4.8 million by 2020). Over 40% of the population live within 100 km of Dublin.

Population growth rate (change): 0.8%

Population density: 67 people per sq km

Average age: 36 years

Urban population: 63%

Government type: Republic, Parliamentary Democracy

Other major cities: Cork (198,582); Limerick (91,000); Galway (76,778); Waterford (51,519)

GDP per capita: US \$49,402

GDP Growth: 7.8% (2015)

Unemployment rate: 9.4% (2015)

Currency: Euro €

Annual inflation rate: -0.3% (2015), 0.6% (2016 forecast)

[Source: FCO Economics Unit (2014, updated Oct 2015), Ibec]

Membership of international organisations: The main organisations of which Ireland is a member include the European Union (EU), European Bank for Reconstruction and Development (EBRD), World Trade Organisation (WTO), United Nations (UN), International Monetary Fund (IMF), World Bank, International Bank for Reconstruction

and Development (IBRD), Organisation for Economic Cooperation and Development (OECD). Asian Development Bank (ADB)

Background

Geography The Republic of Ireland (ROI) covers an area of about 70,000 sq kms, with 26 counties occupying five-sixths of the island of Ireland in the North Atlantic Ocean, west of Great Britain in the extreme north-west of the European continent, and on major air and sea routes between North America and northern Europe. The land is mostly level or rolling interior plain surrounded by rugged hills and low mountains, with high sea cliffs on the west coast.

The Constitution establishes the branches or organs of government, it establishes the courts and it also sets out how those institutions should be run. The Constitution also describes the fundamental rights of every Irish citizen.

Article 28 of the Constitution sets out the composition of Government. The Constitution states that the Government must not be smaller than 7 members or larger than 15 members.

The Taoiseach is the head of the Irish Government. He or she is nominated by the Dáil (one of the houses of Parliament) and formally appointed by the Irish President. Normally, each of the political parties or a coalition of parties will have its own nominee for Taoiseach. The nominee who has the support of the majority of the members of the Dáil will become Taoiseach.

The Taoiseach then nominates the other members of the Government and gives each of them a Department. They are approved by the Dáil and appointed by the President.

Following an inconclusive general election on 26 February 2016, Ireland currently has an acting Taoiseach, Mr Enda Kenny, T.D. Leader of the Fine Gael party. At the time of going to print, consultations on the formation of a new government are ongoing.

[Source: Government of Ireland (Feb 2016)]

Economic overview Ireland is the UK's fifth largest export market and imports more from the UK than any other country. The UK accounts for 30% of imports into Ireland. In 2014, exports of goods plus services from the UK to Ireland totalled £27.86 billion (United Kingdom Balance of Payments – The Pink Book: 2015).

Ireland is the UK's largest export market in food and drink, and second largest market in clothing, fashion and footwear. Trade in other sectors continues to grow. Two-way trade stands at over €1 billion per week.

Ireland is an ideal first-step market for UK companies.

[Source: UK Trade & Investment/gov.uk (Feb 2016)]

Benefits of Ireland for UK businesses

Benefits for UK businesses exporting to Ireland include:

- English speaking
- Same time zone
- Strong transport links

- Similar regulatory and legal framework
- Ideal starter or test export market
- Sophisticated consumer market
- Open economy, used to imports
- Good perception of the quality of British goods and services

[Source: UK Trade & Investment/gov.uk (Feb 2016)]

Strengths of the market

Strengths of the Irish market include:

- Strong bilateral trade between the two countries
- Strong economic environment
- Flexibility and range of Small and Medium Sized Enterprises (SMEs) representing 99.8% of active enterprises in Ireland
- Three million British tourists visit Ireland every year
- Highly-educated workforce

In addition, Ireland hosts:

- 9 of the top 10 global pharmaceutical companies
- 10 of the top 10 global software companies
- 10 of the top 10 born on the internet companies
- 12 of the top 15 medical device companies
- 6 of the world's top 10 selling pharmaceutical products are exclusively produced in Ireland

Furthermore:

- In 2014 Ireland was ranked 17th out of 175 in Transparency International's latest corruption perception index (the UK ranked 14th): www.transparency.org/cpi2014/results

- Ireland is ranked 17th out of 189 in the World Bank's 2015 Ease of Doing Business index (the UK ranked 6th): www.doingbusiness.org/rankings
- The World Economic Forum's Global Competitiveness report ranks Ireland 25th out of 144 for 2014-15 (the UK is ranked 9th): www.weforum.org/reports/global-competitiveness-report-2014-2015

Contact a UK Trade & Investment (UKTI) export adviser at: www.greatbusiness.gov.uk/ukti for a free consultation if you are interested in exporting to Ireland.

Contact UK Export Finance (UKEF) about trade finance and insurance cover for UK companies. You can also check the current UKEF cover position for Ireland. See: www.gov.uk/guidance/country-cover-policy-and-indicators#ireland

[Source: UK Trade & Investment/UKEF/gov.uk (Feb 2016)]

Growth potential

Although economic challenges remain, Ireland's GDP is forecast to continue growing in the next two years. The Central Bank of Ireland has forecast GDP growth of 4.8% in 2016:

www.centralbank.ie/press-area/press-releases/Pages/StronggrowthprovidesanopportunitytostrengtheneconomicresilienceQuarterlyBulletin.aspx

[Source: UK Trade & Investment/gov.uk (Feb 2016)]

Trade between the UK and Ireland

There are strong trade ties between both countries. The UK exported £18.37 billion in goods to Ireland in 2014.

The main exports by value are:

- Fuel and lubricants
- Manufactured articles
- Machinery
- Transport
- Food and live animals

- Chemicals

The top ten UK export categories to Ireland in 2014 were:

- Petroleum products and related materials
- Miscellaneous manufactured articles
- Gas, natural and manufactured
- Articles of apparel and clothing accessories
- Essential oils and perfume materials; toilet preparations etc
- Road vehicles
- Medicinal and pharmaceutical products
- Manufactures of metals
- Electrical machinery, appliances and electrical parts
- Office machines and automatic data-processing machines

Total British Foreign Direct Investment (FDI) in Ireland currently amounts to £27.86 billion.

[Source: UK Trade & Investment/gov.uk (Feb 2016)]

Free Trade Agreements (FTAs)

Ireland is a member of the European Union (EU) and the World Trade Organization (WTO) and other international bodies. Goods manufactured in the UK are exempt from import duties.

SOLVIT is a free service provided by the national administration in each EU country and in Iceland, Liechtenstein and Norway, providing solutions to problems with your EU rights. Contact the SOLVIT team at: www.ec.europa.eu/solvit/index_en.htm if you have market access issues relating to the operation of the Single Market.

[Source: UK Trade & Investment/gov.uk (Feb 2016)]

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