



Minister Reveals That Irish Companies In The Us Employing Over 55,000 As Further Expansion In The Commercial 'Greening Of America' Announced

Brennan Says Irish Companies Have Increased Presence In Us Market Fivefold In Recent Years

The Minister for Social Affairs, Séamus Brennan T.D., said today that over 55,000 people are now employed by Irish companies in the USA as a direct result of significantly increased investment by Irish concerns and the ongoing deepening economic links between the two countries.

Speaking in Boston, Minister Brennan said that a very significant element in Ireland achieving the economic success, it today enjoys, has been the presence in Ireland of more than 1,000 multinational companies, more than 600 of which are from the US.

Minister Brennan said: "These US companies directly employ over 90,000 people, or 70% of the total numbers employed by multinationals in Ireland. Most people are aware in one way or another of the size and importance of US investment in Ireland. On the other hand, I doubt if that many are aware of the exciting and dramatic changes that are taking place in Irish investment in the US. Over the last seven years Irish companies have increased their presence in the US market fivefold. A study just completed by Enterprise Ireland reveals that more than 55,000 people are now employed by these Irish entities in the US. This reflects the deepening economic and commercial ties between the two countries, and also recognition by Irish companies that as a key innovator, consumer and industry leader, the US market represents a challenge for any enterprise wishing to establish a more global presence."

The Minister was speaking at the announcement by Candidate Manager Ltd of the expansion of its operations in the US. Candidate Manager, with its Global Headquarters in Dublin, is one of the leading global innovators in advanced recruitment and talent management systems. As well as its base in Ireland and regional corporate offices in Glasgow and London, it has now set about creating a



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comprehensive support network extending to North America from its US headquarters in Boston.

Minister Brennan said the initiative, which this relatively small company has taken to establish itself in the American market, was an example of the growing confidence and abilities of Irish enterprises to look beyond the home market or even the wider EU market in seeking out trade and investment opportunities. The Minister also addressed the issue of the competitive challenges that Irish companies now face as the pace of change in the global economy continues to increase.

In an address to the Irish Association at Massachusetts Institute of Technology focusing on Ireland's Knowledge Economy, Minister Brennan said that while overall **economic performance** remains strong, Ireland now faces an unprecedented challenge to grow the high-paid jobs and knowledge-intensive investment needed to sustain our performance into the future.

He said that firms in Ireland are facing **competitive challenges** more comprehensive and unremitting than at any point in our recent economic history and competition is set to intensify. Many parts of China, India, South East Asia and Central Europe are now targeting the kinds of high-tech manufacturing and services activities – electronics, software, financial and other services and pharmaceuticals – that have driven Ireland's growth over the last 15 years.

Minister Brennan said that while the importance of R&D to our economic development is increasingly recognised, there is a continued need for further concentrated action in this area if we are to retain our successful status in terms of economic performance.

Minister Brennan added: "The Government is fully committed to the importance of the knowledge and research agenda and has displayed that commitment by providing for substantial investment in this area under the National Development Plan. This is not of course a uniquely Irish approach or assessment. I am aware that there are similar concerns here in the US, and that there are major initiatives being discussed here in America to strengthen education, encourage entrepreneurship and innovation and increase investments in research and development including for key federal agencies that support basic research programs in the physical sciences and engineering as part of an *American Competitiveness Initiative (ACI)*".



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He said that a knowledge-based economy requires substantial investment in research and development. Funding for science and technology in Ireland's State sector has increased from €764m in 1995 up to €2,195m in 2005. One of the most important areas of focus for us in allocating funding is the overall spending in the area of research and development.

The Minister said in 2005 the budget initiatives dedicated to R & D activities totalled €762m. But even at that level the present State investment in R & D of about 0.5% of GNP still lags behind countries such as the United States (1.11%), France (1.04%) and Finland (1.03%).

Government initiatives, such as the Programme for Research in Third Level Institutions, and Science Foundation Ireland, which is achieving great success in promoting Ireland as a centre of research and excellence, coupled with the establishment of the research councils for social sciences, and engineering and technology, and the introduction of a tax incentive for R&D expenditure, have completely altered the canvas on which research is conducted in Ireland over the last few years. **Business expenditure on R&D** in 2004 increased to €1,150 million up from €988 million in 2002. While increasing significantly in absolute terms, the research intensity of Irish industry is still at a level that is below the average for the EU-15 or the OECD.

“In spite of huge increases in recent years in the total **national expenditure on R&D** (combining R&D performed by the business, higher education and public sectors) the Government recognises the need to invest even more in the research capacity of our universities, colleges and industry”, Minister Brennan said.

“We are now seeing the fruits of that investment with international researchers transferring to Ireland, and key industries locating their research and development facilities in Ireland. The Government objective is to ensure that, by 2013, Ireland will be internationally renowned for its excellence in research and be to the forefront in generating and using new knowledge for economic and social progress within an innovation driven culture. Increases in expenditure on R&D will be demanded of business and Government while the number of researchers will have to increase dramatically”.

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