

PRESS RELEASE

Enterprise development agency client companies contributed €40.8 billion to Irish economy in 2012

Total sales and total exports rose by 4.4% and 5.1% respectively

Forfás publishes Annual Business Survey of Economic Impact

(Monday, 24 March 2014) Forfás today published its *Annual Business Survey of Economic Impact* (ABSEI) which covers the period 2003 - 2012. The survey shows that client companies of the enterprise development agencies reported a rise in sales and exports in 2012. Direct expenditure in the Irish economy in terms of payroll and purchases of Irish materials and services produced in Ireland increased by 3.8% to approximately €40.8 billion in 2012.

The ABSEI is an annual survey of the client companies of Enterprise Ireland, IDA Ireland, Údarás na Gaeltachta and Shannon Development¹ in the manufacturing and information, communication and other services sectors, employing ten or more employees in Ireland. The survey evaluates total sales, export sales, the difference between total sales and the cost of purchasing materials and services (total value added), and direct expenditure in the Irish economy comprising the sum of payroll costs and materials and services purchased in Ireland. The ABSEI provides aggregated estimates across a range of variables and provides an overview of the evolution of manufacturing and internationally-traded services sectors over the past ten years, which feeds into policy development.

Commenting on the ABSEI results, Martin Shanahan, Chief Executive of Forfás said: “The results of our most recent survey show that the enterprise agency client companies continue to make a significant contribution to the Irish economy. Data for the most recent full year available, 2012, show that it was a successful year overall for enterprise agency client companies with increases in all the main economic indicators. Sales increased by 4.4 per cent, exports by 5.1 per cent, value added by 3.6 per cent and direct expenditure to the economy increased by 3.8 per cent. These figures demonstrate the significant and positive contribution that both indigenous exporting companies and foreign-owned companies are making to the growth of the Irish economy. Actions must continue to be taken to ensure the competitiveness of Irish materials and services inputs, and to exploit the opportunities for increased linkages between indigenous and foreign owned companies.”

Key statistics from the ABSEI include:

- Total sales for agency-assisted companies in 2012 amounted to €157.14 billion, a 4.4 per cent increase over 2011 sales of €150.55 billion. Foreign-owned companies account for €129.55 billion, an increase of 4.9 per cent between 2011 and 2012. Total sales for Irish owned firms increased by 2 per cent from 2011 to 2012, amounting to €27.59 billion.
- Total exports amounted to €138.38 billion in 2012, a 5.1 per cent increase over 2011 exports worth €131.65 billion. Exports by Irish-owned client companies increased by 5.8 per cent from €13.45 billion to €14.23 billion while foreign-owned firms' exports increased by 5 per cent from €118.20 billion to €124.14 billion between 2011 and 2012.
- Foreign-owned client companies in the Information, Communications and Computer Services sector accounted for 45 per cent of export sales in 2012 at €56.14 billion. Export growth in foreign-owned client companies grew by 13.5 per cent between 2011 and 2012, with an increase of 19.4% in Irish-owned companies in the same time period. Overall, the

¹ Due to a change in the mandate for Shannon Development, their client companies were re-assigned to IDA Ireland and Enterprise Ireland during 2012. Annual data for these companies are included in these results.

ICT services sector continued to see its share of Irish-owned employment rise from 20 per cent in 2003 to 33 per cent in 2012.

- In 2012, 90 per cent of total export sales were attributed to foreign-owned firms. The share of total exports attributed to foreign-owned firms in 2003 stood at 91 per cent.
- Total value added for all firms totalled €62.44 billion in 2012, an increase of 3.6 per cent over the 2011 figure of €60.26 billion. Foreign-owned firms are responsible for 84 per cent or €52.43 billion of total value added of agency assisted firms in 2012. Value added for Irish-owned firms was €10.01 billion in 2012, unchanged from 2011.
- The total direct expenditure, in terms of payroll and purchases of raw material and services purchases produced in Ireland of all firms in the Irish economy for 2012 was €40.81 billion, which was an increase of 3.8 per cent from €39.3 billion in 2011. Irish-owned firms accounted for direct expenditure in the Irish economy in 2012 of €17.82 billion. Since 2003, Irish firms have increased their share of total direct expenditure in the Irish economy from 41 per cent to 44 per cent.
- Irish-owned firms have increased their export intensity from 37 per cent in 2003 to 52 per cent in 2012. The vast majority of products and services produced by foreign-owned firms are destined for export, with an export intensity of 96 per cent in 2012, up from 93 per cent in 2003.

The full report is available on the Forfás website www.forfas.ie

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Notes to Editors

The Annual Business Survey of Economic Impact is undertaken on an annual basis. The most recent full-year data available is for 2012. This report includes time-series data for the period 2003 to 2012. The report analyses economic impact across the following variables:

	2012 (€bn)		
	Foreign-owned	Irish-Owned	All
Sales	129.55	27.59	157.14
Exports	124.14	14.23	138.38
Total Value Added	52.43	10.01	62.44
Direct Expenditure	22.99	17.82	40.81