

Ireland: **A Model of Substance**

Ireland is a huge beneficiary of globalisation. It has a business model of substance with depth, diversity, and years of tactical policy planning and implementation behind it. Ireland has a diversity of industries; which do R&D and high-value manufacturing and it generates indigenous firms of scale with outward investment. It is one resilient enough to have emerged strongly from the recent global recession with the highest growth and population rates in the European Union.

This Ibec campaign tells the story of the Irish business model, how it has developed and what it looks like today. The need for this campaign has arisen from misconceptions about the structure and nature of the Irish business model both domestically and internationally. The aim is to use the narrative to inform business and other stakeholders. The ask is to talk about Ireland as a model of substance to colleagues, employees, decision makers, stakeholders, customers and suppliers.

We use six qualities to characterise the substance of the Irish business model: evolution; global footprint; full business lifecycle; world class; global hub; and clusters. The six qualities can be used as talking points to tell this story.

01. Evolution



Evolution refers to the history and evolution of Ireland's economic policies. This economy of substance is decades in the making and developed out of targeted policies that take into account best international practise and specific regional strengths. Central to the evolution of this pro-business economy are: a transparent and competitive tax regime, a skilled and flexible workforce, and the right political and regulatory institutions.

In the late 1980s, Ireland was still classified as a cohesion country in need of structural funds. A generation on, Ireland is a net contributor to the EU budget, a hub of global business and Europe's fastest growing economy. Exports of goods and services as a proportion of GDP rose from 24% in 1965 to 124% in 2015, making Ireland the fifth most intensive exporter of its goods and services in the world.

02. Global Footprint



The Irish business model has a Global Footprint. This is what an economy develops when it serves worldwide markets and when investment circulates. It's about matching foreign direct investment and the influx of multinationals with strong outward direct investment and the establishment of export markets abroad.

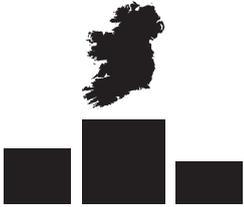
Ireland's outward investment matches Foreign Direct Investment and Irish companies employ as many people in the USA as US companies employ in Ireland. Ireland is now the largest net exporter of dairy ingredients, beef and lamb in Europe and the largest exporter in Europe of powdered infant formula, while over half the world's fleet of leased aircraft is managed through Irish companies. Ireland is the world's second largest software exporter.

03. Full Business Lifecycle



Ireland specialises in the Full business lifecycle. This is because all activities from R&D to production, on to sales, marketing, logistics and finance take place within Ireland. Ireland manufactures a third of the world's contact lenses, three quarters of global orthopaedic knees and 80% of stents globally, while over 30 million diabetes sufferers rely on injectable devices manufactured in Ireland. All of the top 10 global technology firms have strategic operations in Ireland.

04. World Class Economy



Ireland is World Class economy, because it is globally competitive in terms of people and research with performance driven from a strong and collaborative business culture, with principles of operational excellence deeply embedded into the thinking of all leaders and employees. As world class economy, Ireland attracts people at the top of their game and invests in R&D to create a culture of excellence.

Our non-national workforce is double the EU average and twice as likely to be educated to third-level. Ireland has the EU's highest proportion of workers in high-tech manufacturing, with twice the level of Germany in second place, and 7.5% of Ireland's workforce is in high technology sectors, far outstripping the EU average of 4%.

05. Global Hub



As a Global Hub, top international companies have converged to locate their headquarters in Ireland. Since 1990, changes in Irish GDP growth have mirrored World GDP growth, and ease of access to global markets has proved crucially important to companies operating here. Ireland is now home to all of the top ten global technology companies, 18 of the top 20 pharmaceutical companies and 18 of the top 25 medical technology companies.

06. Clusters



Ireland:
Coast to Coast: 170km

Clusters develop when there is a range and diversity in the economy. Instead of relying on one type of activity, Ireland's business model is characterised by a dynamic ecosystem involving multinationals in different sectors generating local SMEs and partnering with the indigenous sector along with higher education, health and research institutions.

In an increasingly networked global business community, seeking collaborative innovation, the proximity of leading edge sectors and talent in Ireland gives a huge comparative advantage. On average in Ireland a life sciences and tech company are an hour and a half to drive apart.

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Learn more about the substance
of the Irish business model at

www.ibec.ie/irishsubstance

Digital addresses

@Ibec_irl
www.linkedin.com/company/ibec
www.ibec.ie

Ibec Head Office

84/86 Lower Baggot Street
Dublin 2
Tel: + 353 1 605 1500
Email: membership@ibec.ie
Web: www.ibec.ie/membership

Limerick

Gardner House Bank Place
Charlotte Quay
Limerick
Tel: + 353 61 410411
Email: midwest@ibec.ie
Web: www.ibec.ie/midwest

Galway

Ross House
Victoria Place
Galway
Tel: + 353 91 561109
Email: galway@ibec.ie
Web: www.ibec.ie/west

Donegal

3rd Floor, Pier One Quay
Street
Donegal Town
Donegal
Tel: + 353 74 9722474
Email: northwest@ibec.ie
Web: www.ibec.ie/northwest

Cork

Knockrea House
Douglas Road
Cork
Tel: + 353 21 4295511
Email: cork@ibec.ie
Web: www.ibec.ie/cork

Waterford

Waterford Business Park
Cork Road
Waterford
Tel: + 353 51 331260
Email: southeast@ibec.ie
Web: www.ibec.ie/southeast

Brussels

Avenue de Cortenbergh, 89,
Box 2
B-1000 Brussels
Belgium
Tel: + 32 (0)2 512.33.33
Fax: + 32 (0)2 512.13.53
Email: europe@ibec.ie
Web: www.ibec.ie/europe