

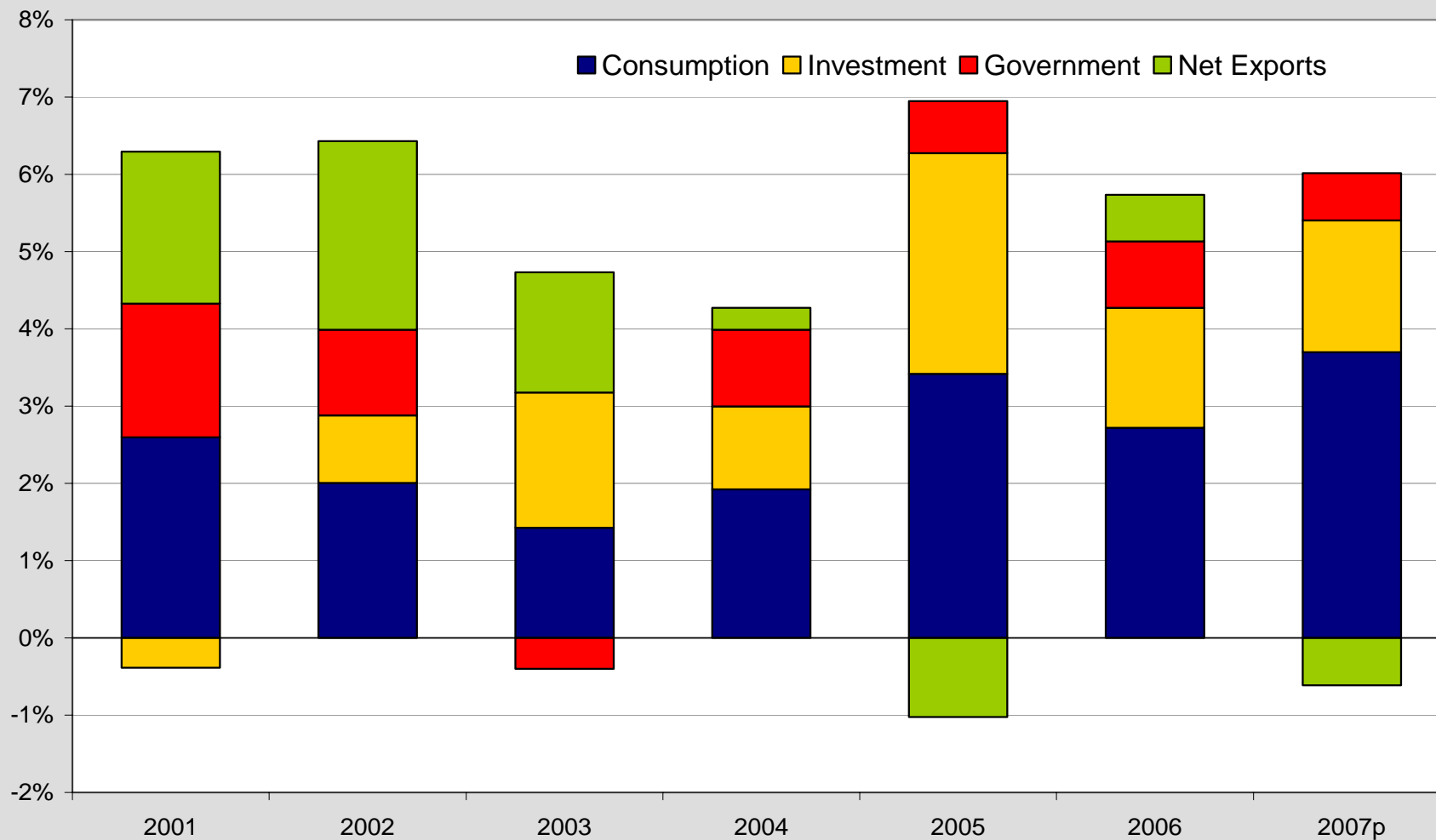
National Competitiveness Council

Benchmarking Ireland's Performance, 2007
Selected Charts

Overview

- The economy continued to perform well in 2007. Employment continued to grow supported by strong inward migration as well as natural population increases. Government finances are healthy and there continues to be steady flows of foreign direct investment into the economy.
- But the nature of growth has changed in recent years from export-led to domestically driven.
- It is critical that exporting sectors resume a greater role in driving economic growth.

Contribution of Growth in Net exports to Irish Economic Growth 2001-2007(P)



Source: Forfás calculations, Central Statistics Office, Annual National Accounts

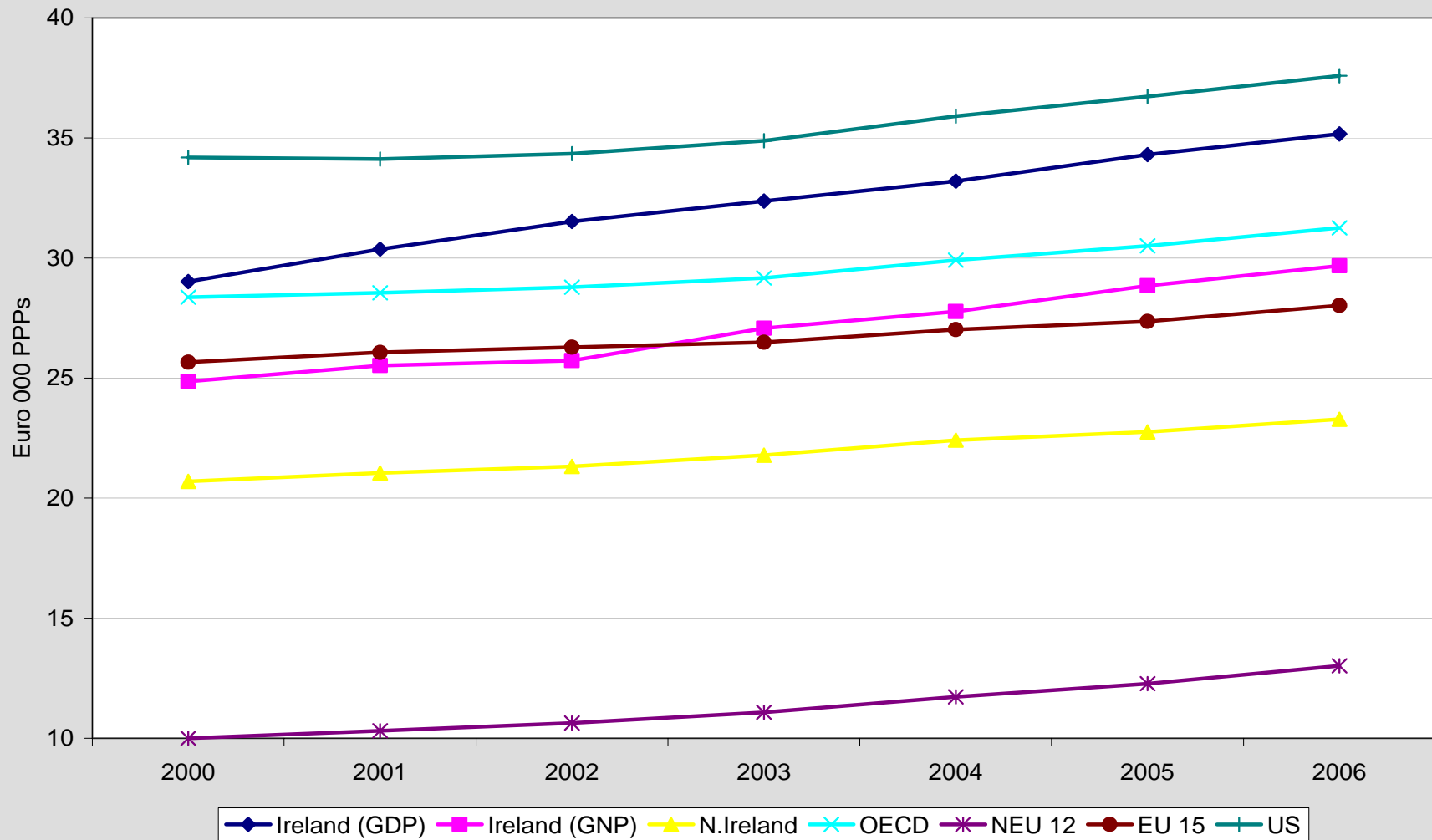
Ireland Has Many Significant Strengths...

1. Ireland's national income is comparatively high.
2. Ireland performance in the UN's Human Development index is very strong.
3. Despite declines in FDI flows, Ireland remains an attractive investment location.
4. Irish productivity levels are in line with the OECD average.
5. Labour force growth remains strong.

6. The overall level of regulation in Ireland is among the lowest in the OECD.
7. Long standing advantages in our tax system continue to be of benefit.
8. Finally, in terms of our education system, high secondary school completion rates are a strength.

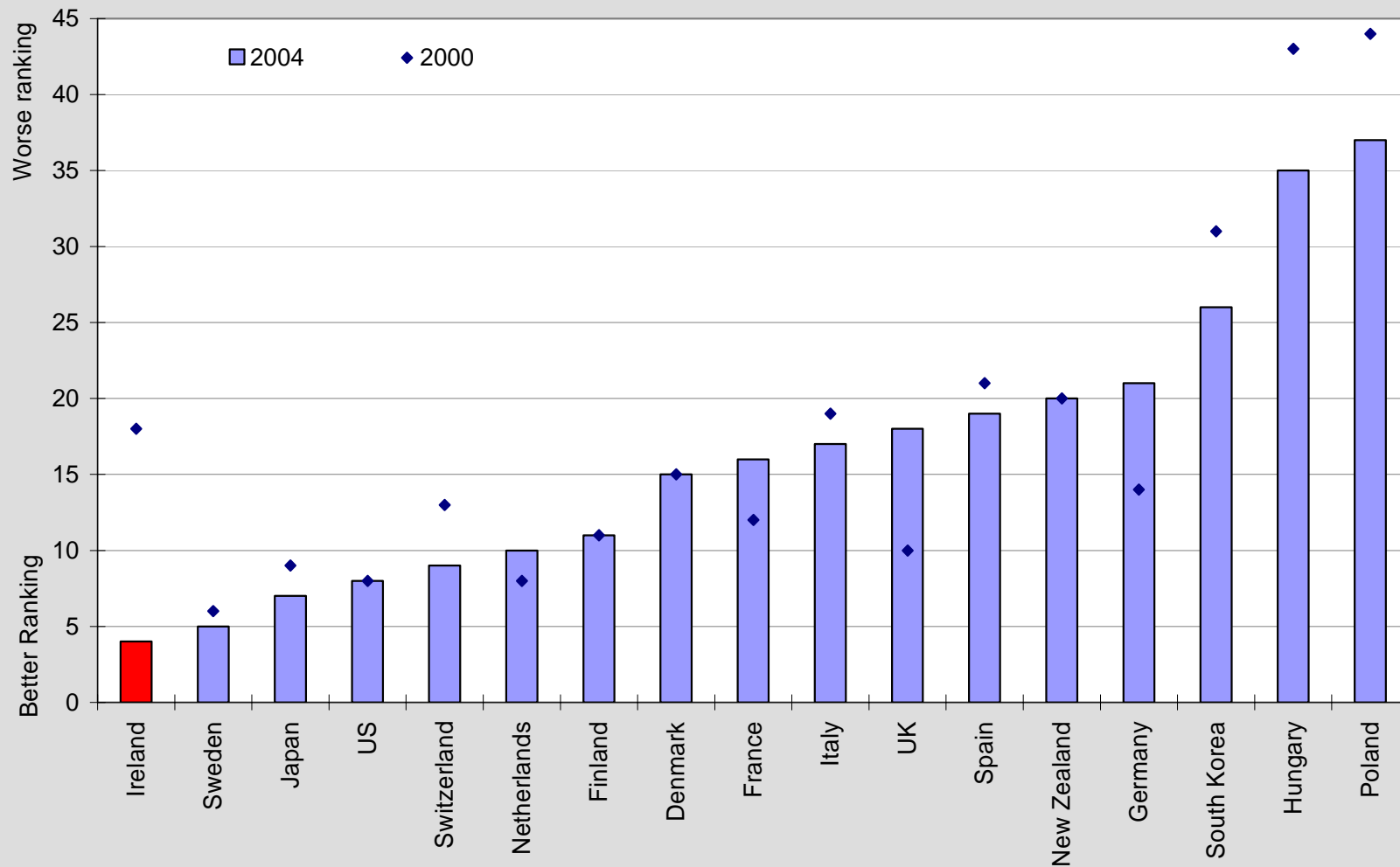


GDP Per Capita Income Levels, (€000s) 2000-2006



Source: Forfás calculations; Groningen Growth & Development Centre, Total Economy Database, January 2007; UK Office for National Statistics [online]

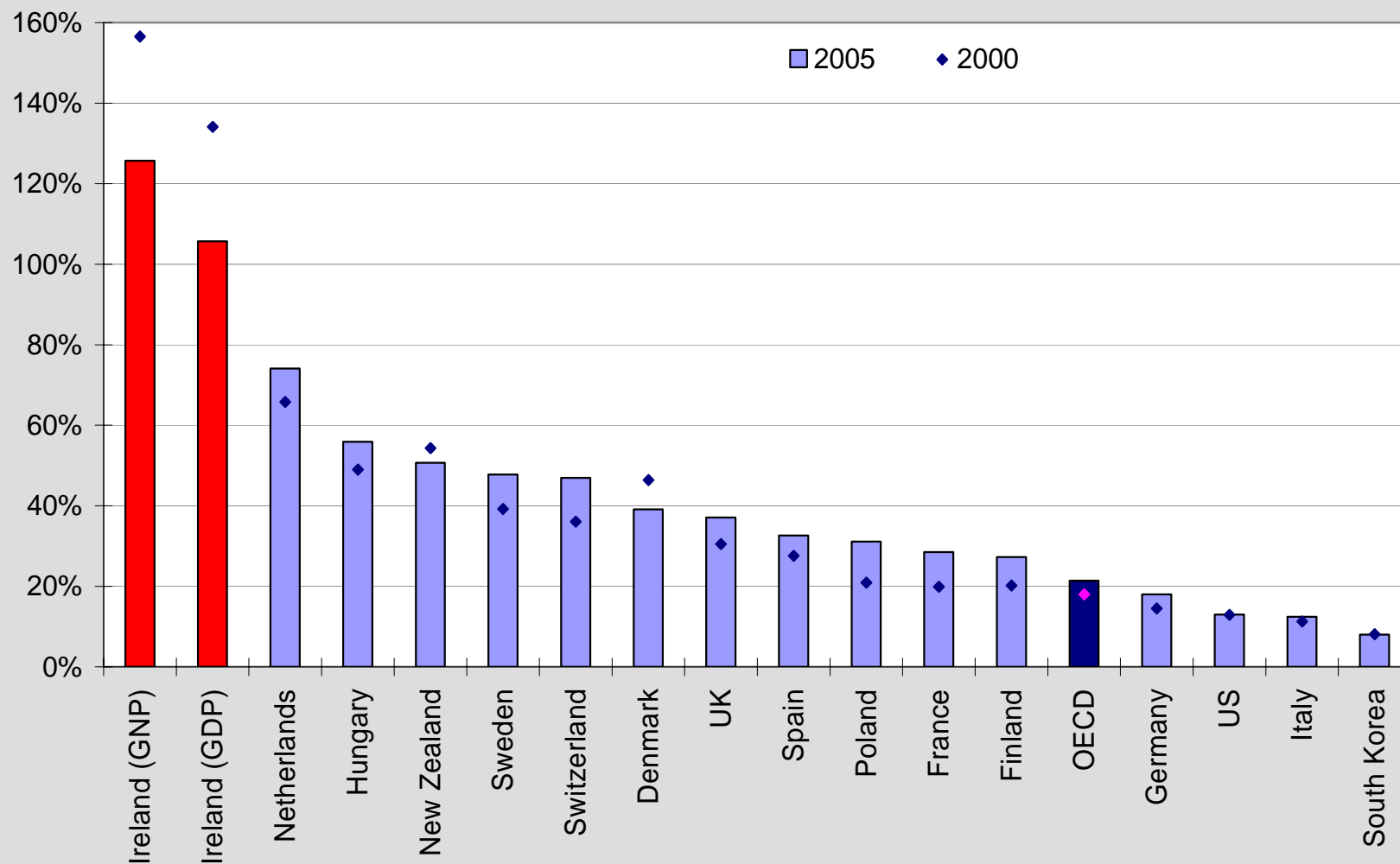
UN Human Development Index Rank, 2004



Source: UN Human Development Report, 2006



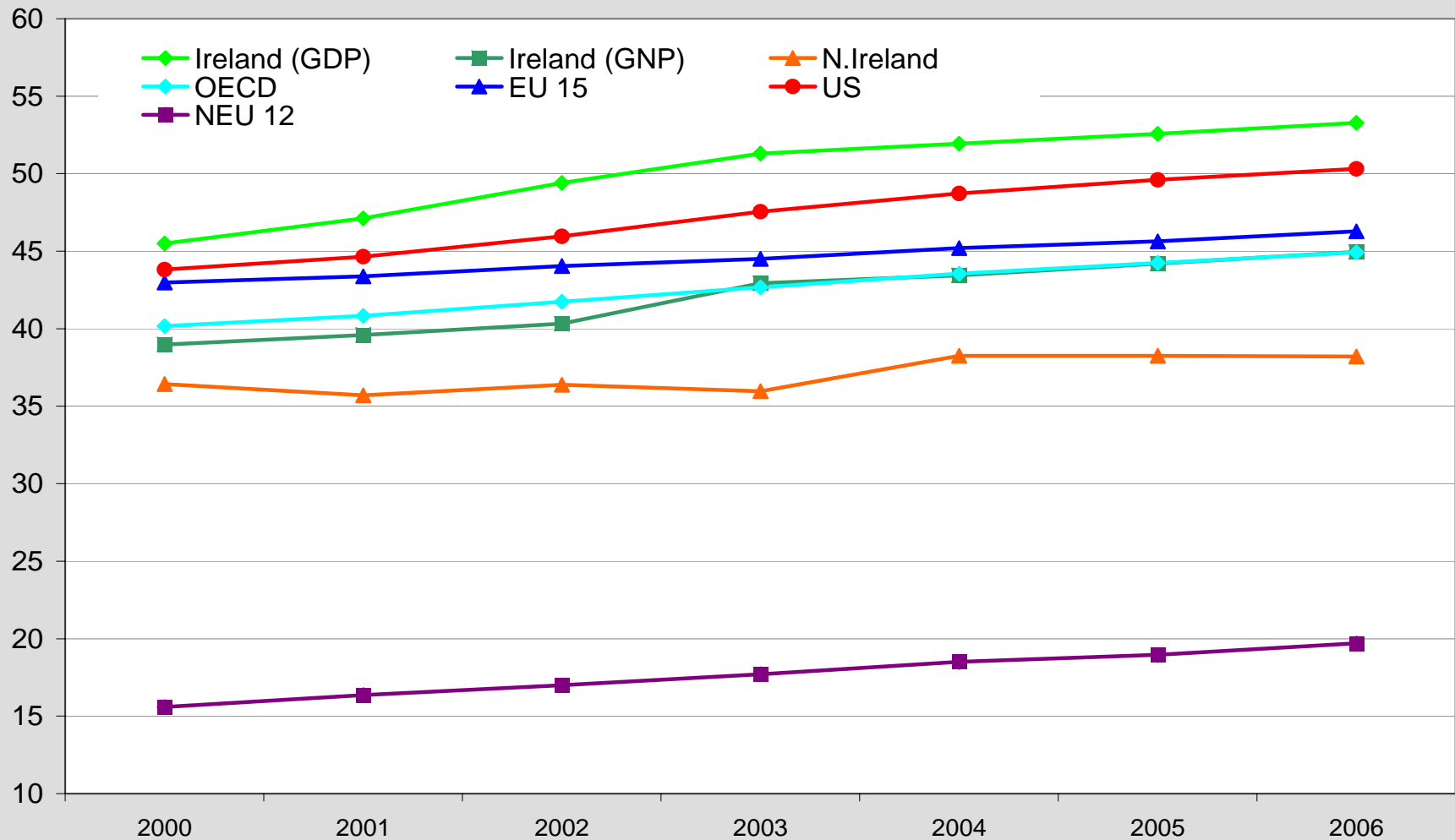
Stock of Inward Direct Investment as a Percentage of GDP, 2005



Source: UNCTAD World Investment Report 2006

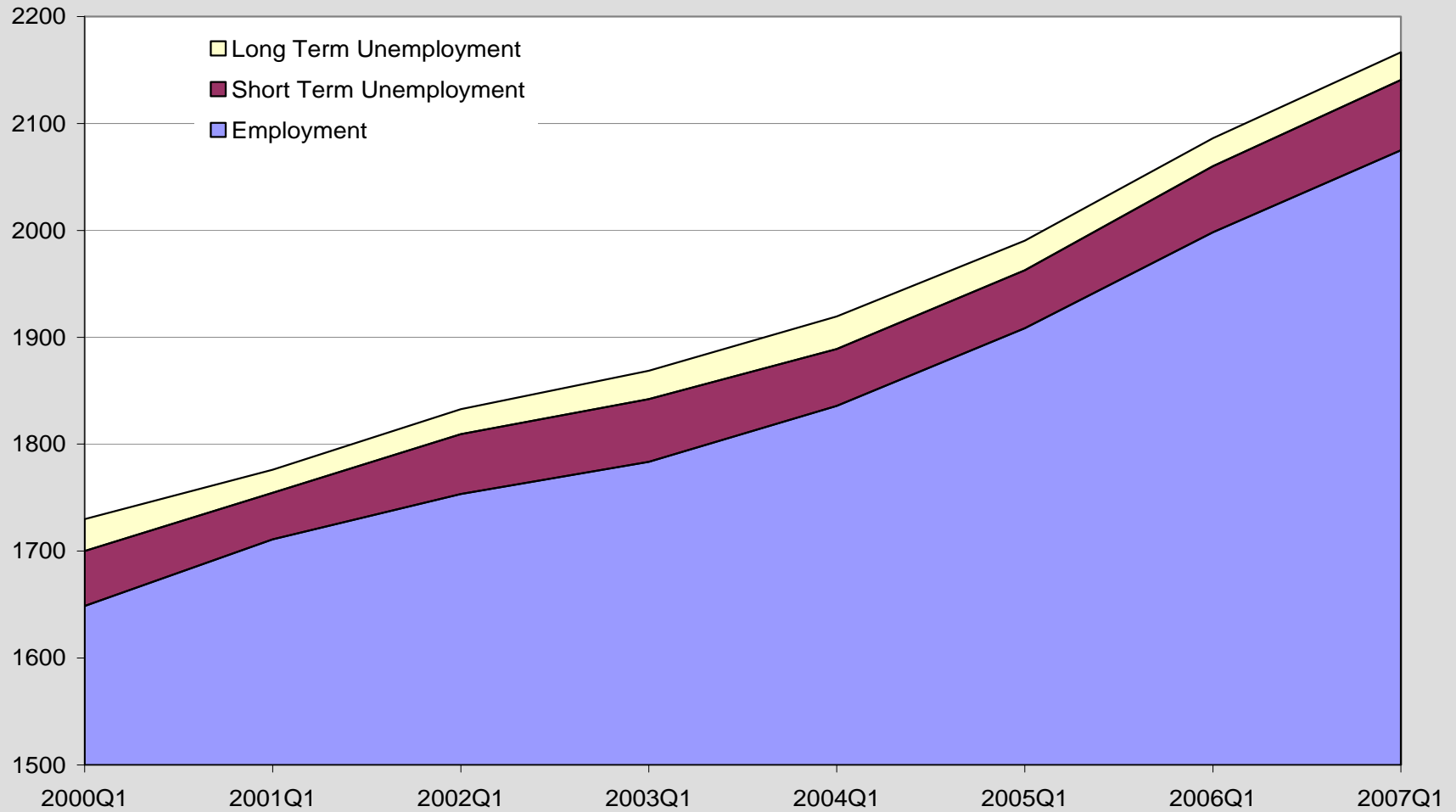


Overall Productivity Levels (GDP per hour worked), 2000-2006



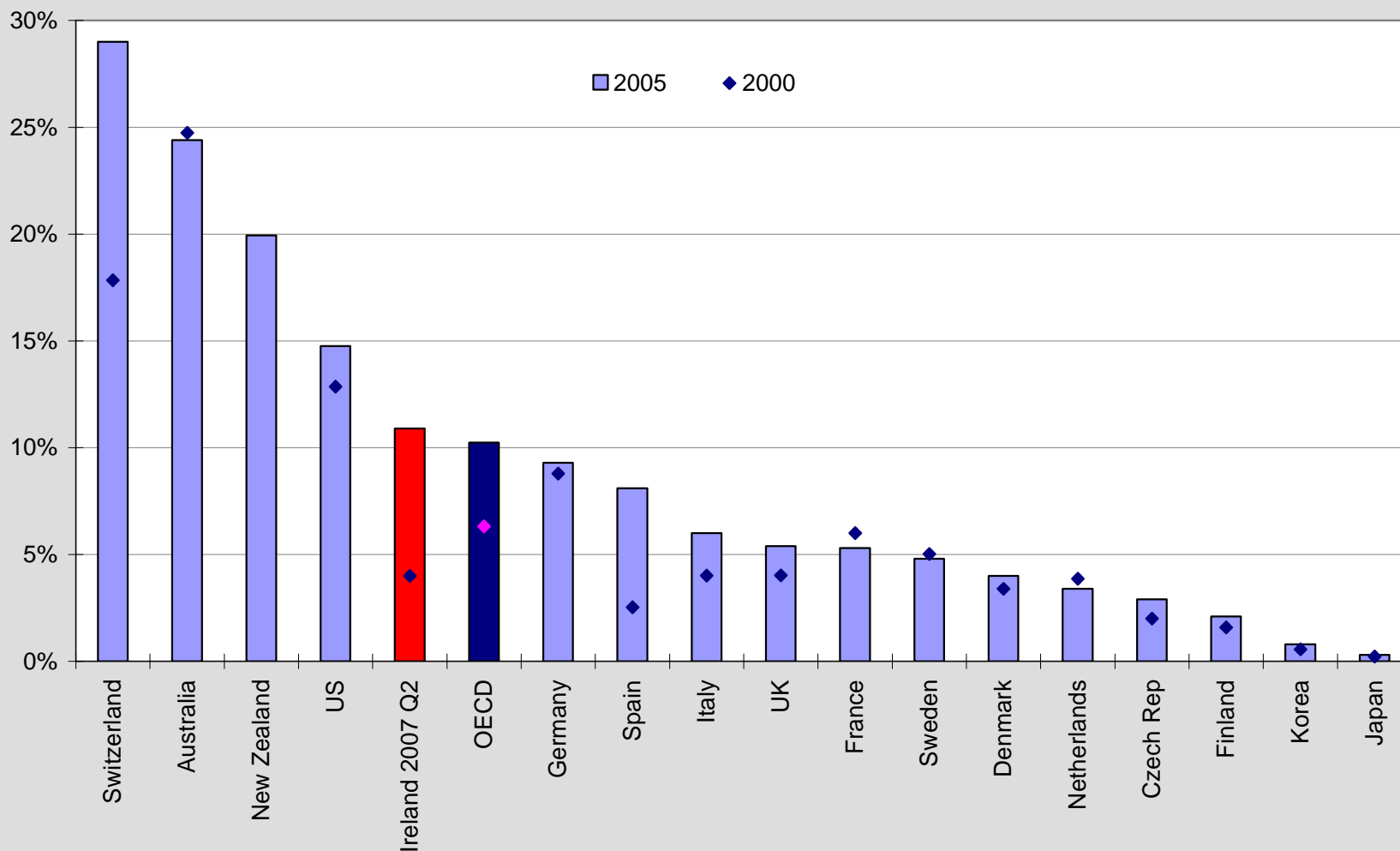
Source: Forfás Calculations; Groningen Growth & Development Centre, Total Economy Database, January 2007; United Kingdom, Office for National Statistics, 2007 [online]; Northern Ireland Department of Enterprise, Trade & Investment, Northern Ireland Labour Force Survey

Labour Force Growth, 2001-2007



Source: Forfás Calculations; Central Statistics Office, Quarterly National Household Survey Data, 2000-2007

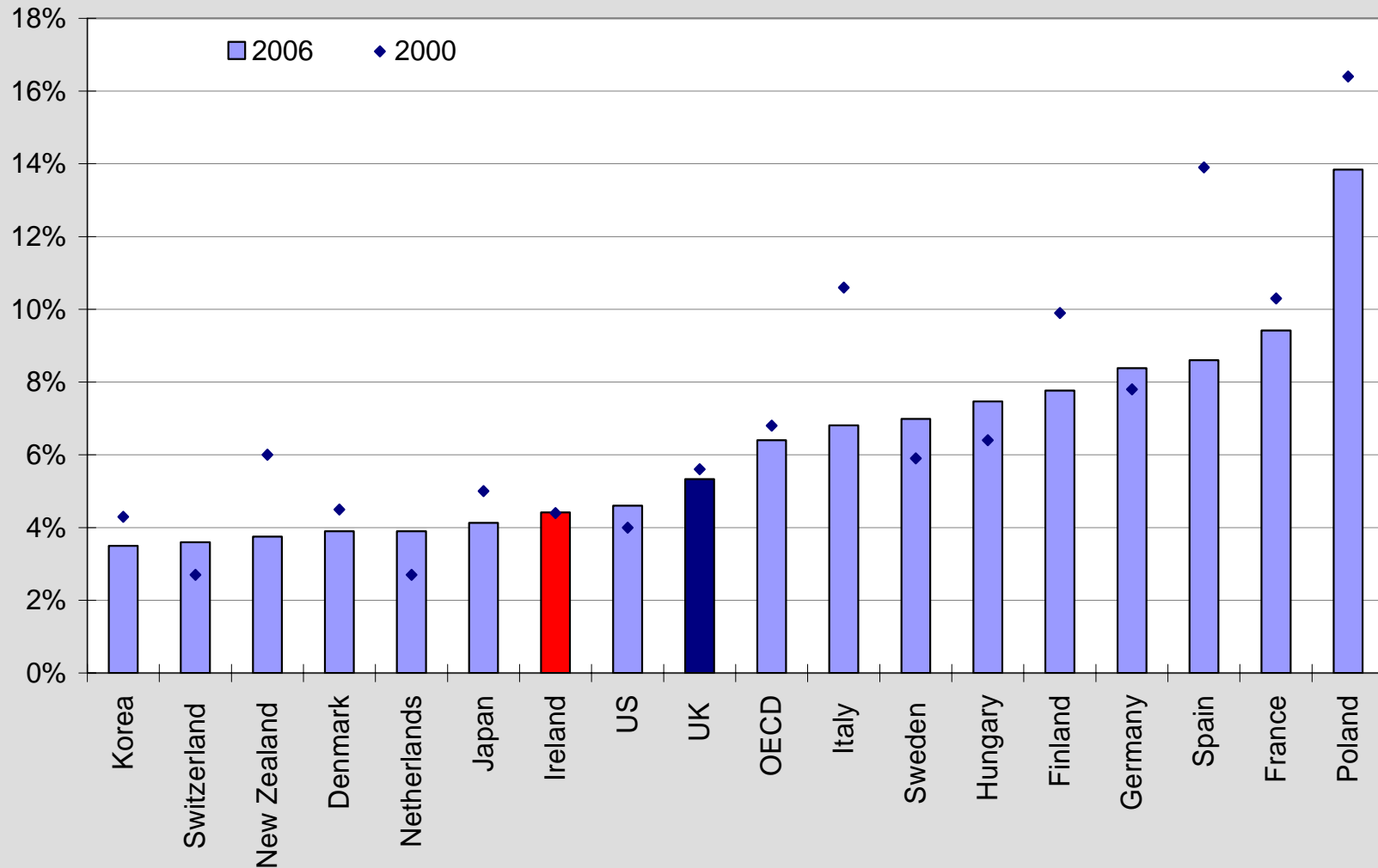
Stock of Foreign Labour as a Percentage of the Total Labour Force, 2005



Source: Forfás Calculations; Central Statistics Office Labour Market Statistics; OECD, International Migration Outlook, 2007

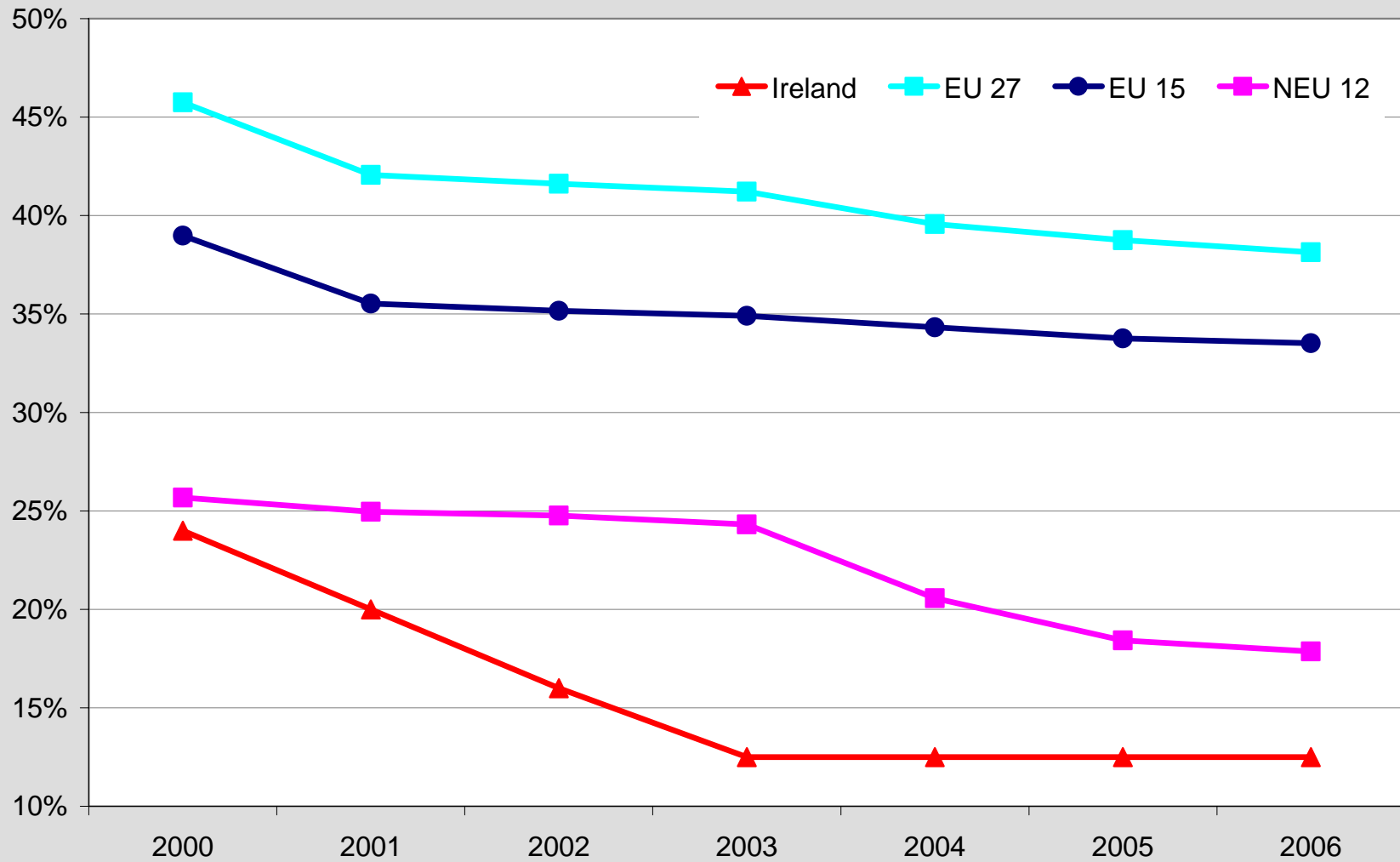


Unemployment, Standardised Rates, 2006



Source: Forfás Calculations; OECD, Employment Outlook 2007

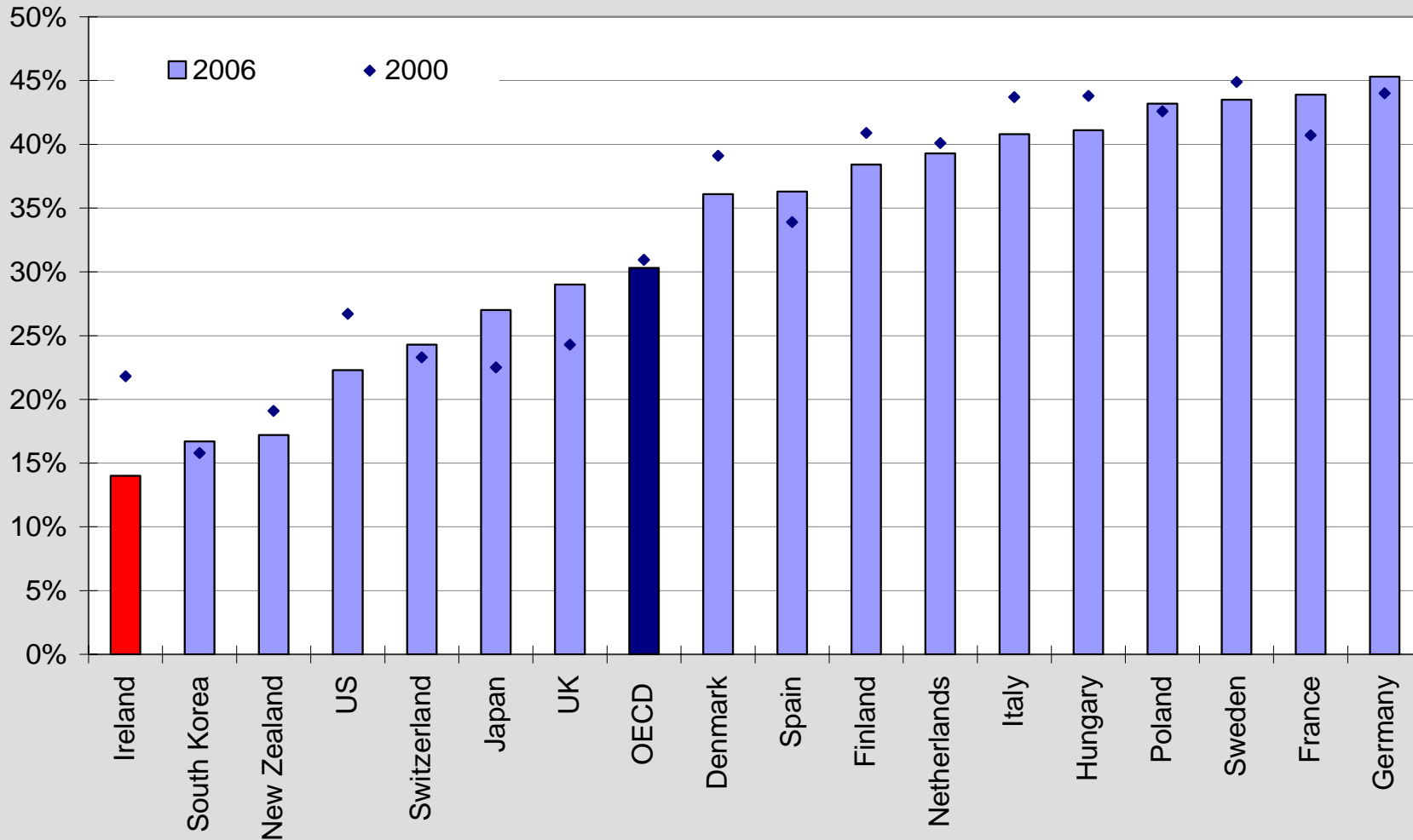
Top Standard Corporate Tax Rate, 2000 - 2006



Source: Eurostat, Taxation Trends in the European Union

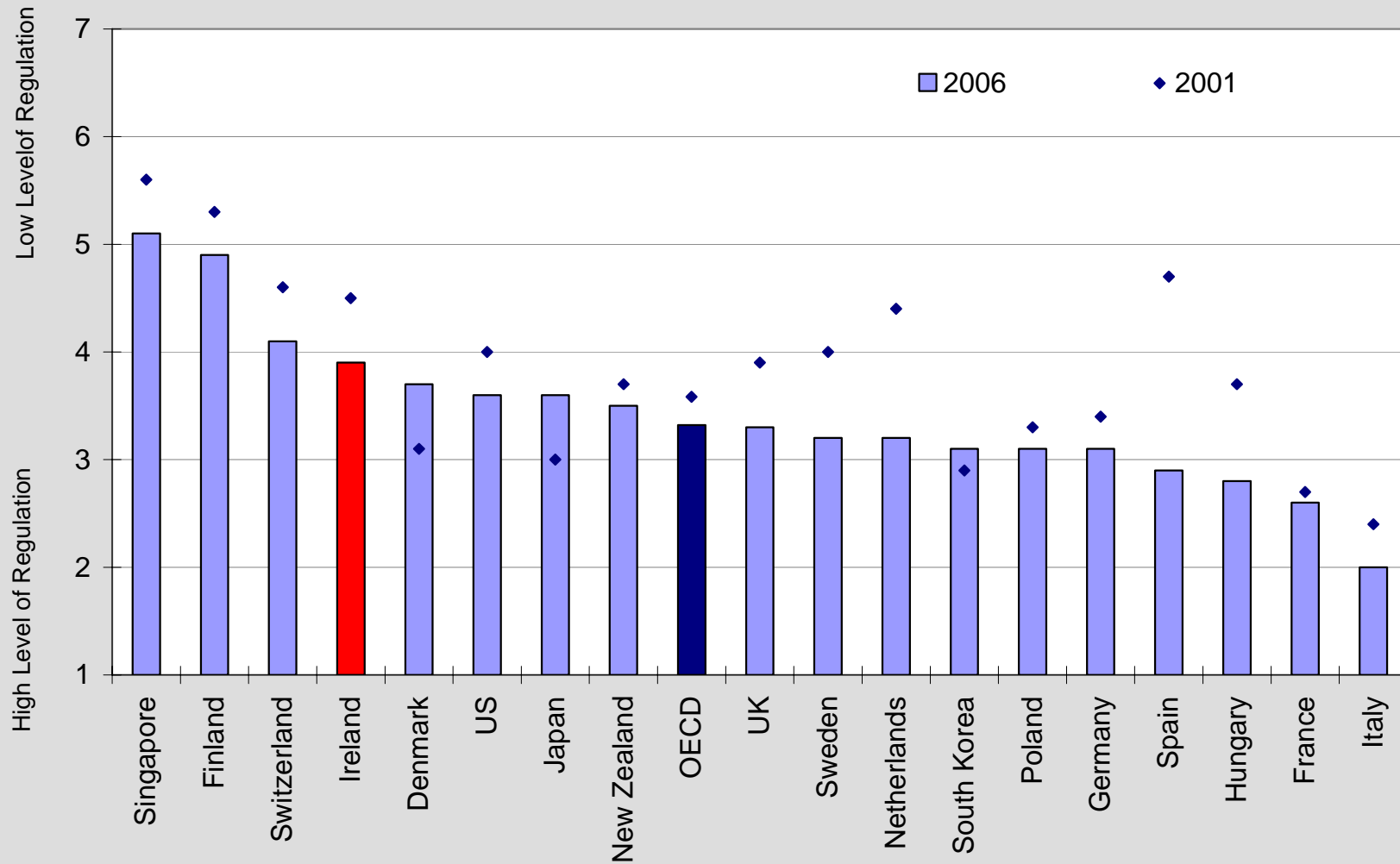


Total Tax Wedge on Labour, 2006



Source: Forfás calculations, Central Statistics Office, Annual National Accounts

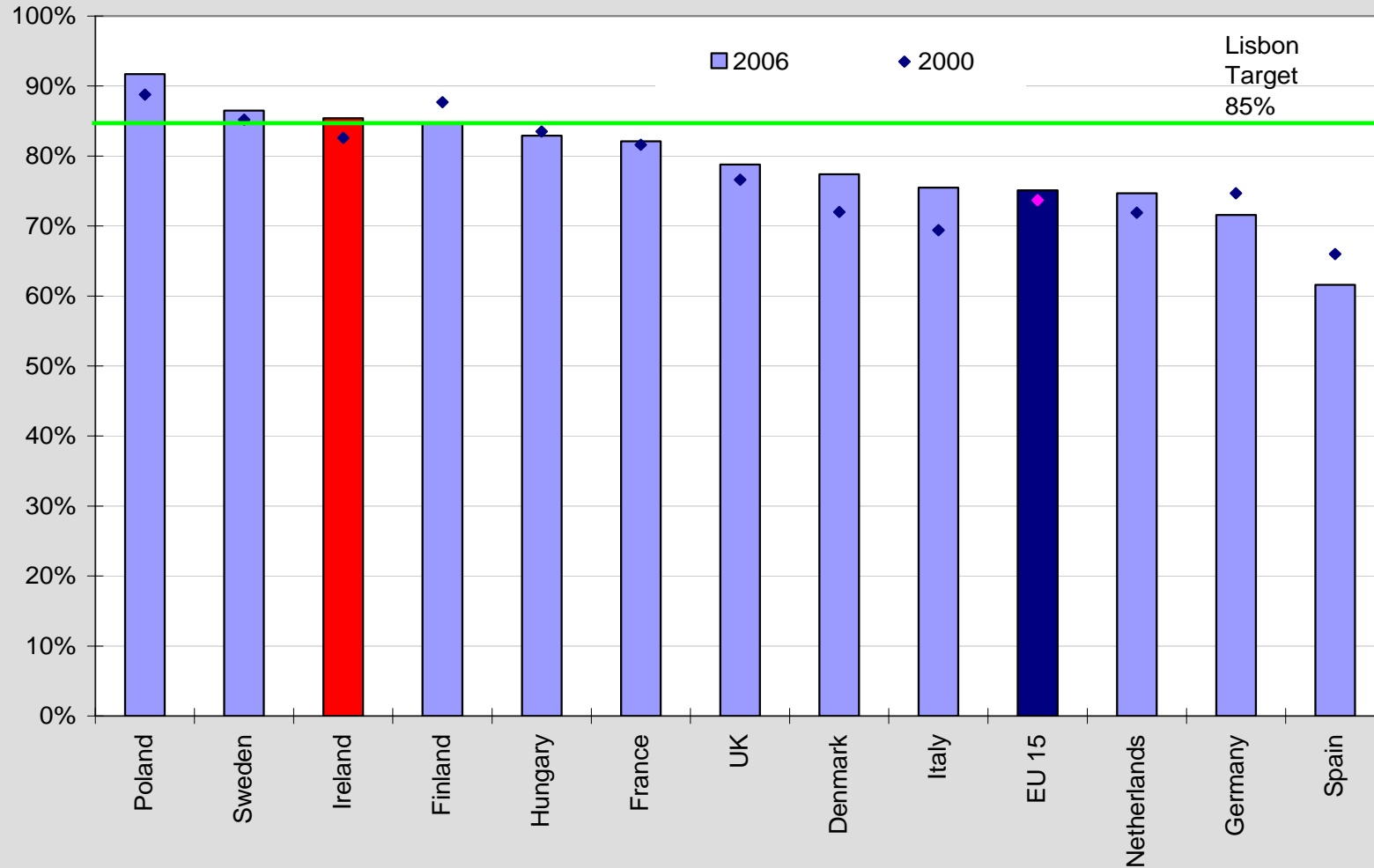
Level of Regulation, 2006



Source: WEF Global Competitiveness Report 2007/08



Percentage of 20-24 Year Olds with at Least Upper Secondary Education, 2006



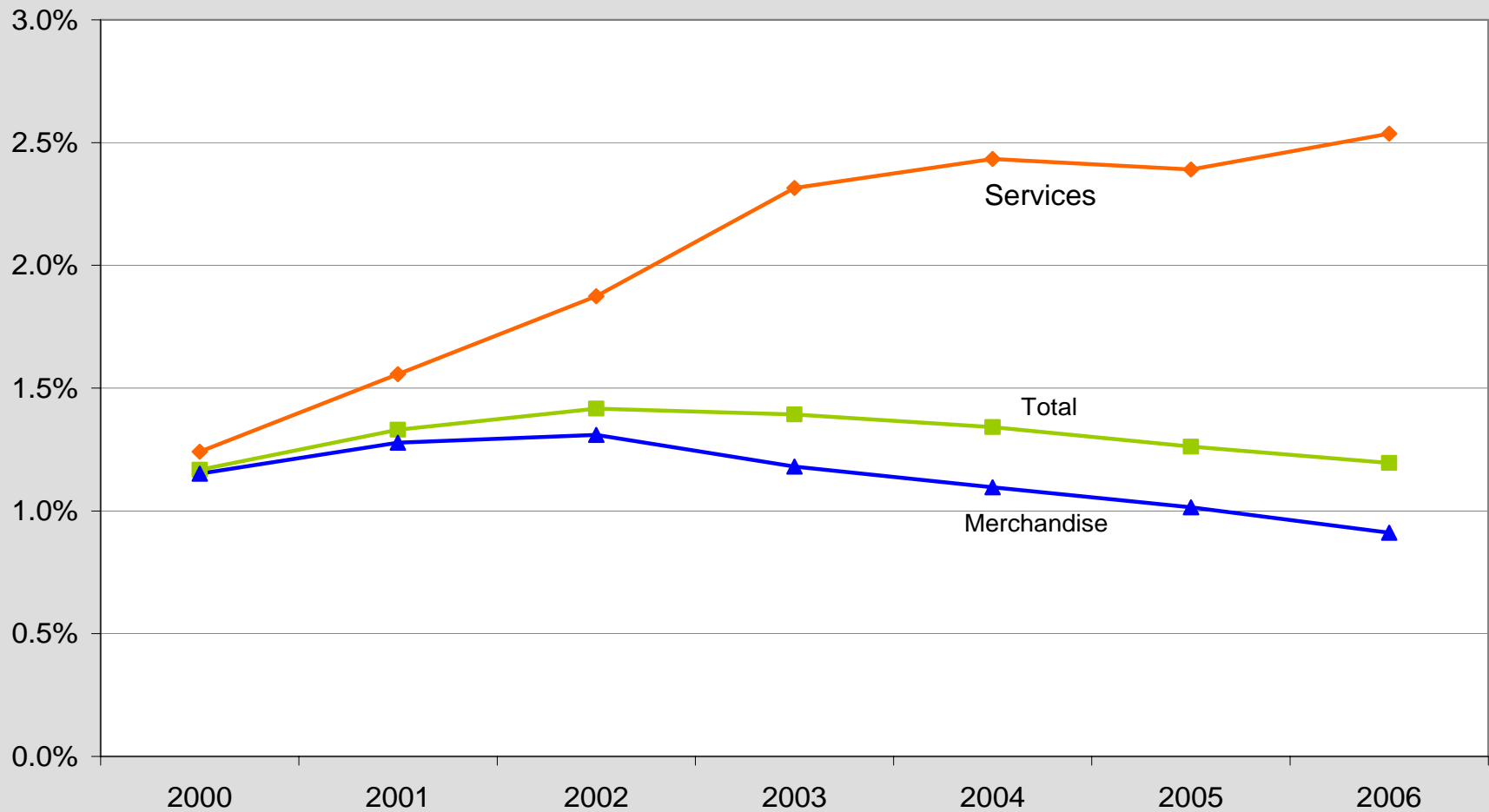
Source: Eurostat, Structural Indicators

...but we also have some weaknesses...

1. Ireland's overall share of world trade is falling, driven by a steady fall in share of merchandise trade. However, Irish services trade is growing strongly.
2. Productivity growth has slowed to its lowest levels since the 1980s.
3. Price levels are high and continue to grow at rates above the Eurozone average. This is reflected in both pay (labour) and non-pay costs.
4. There is limited competition in many domestically trading sectors of the economy.

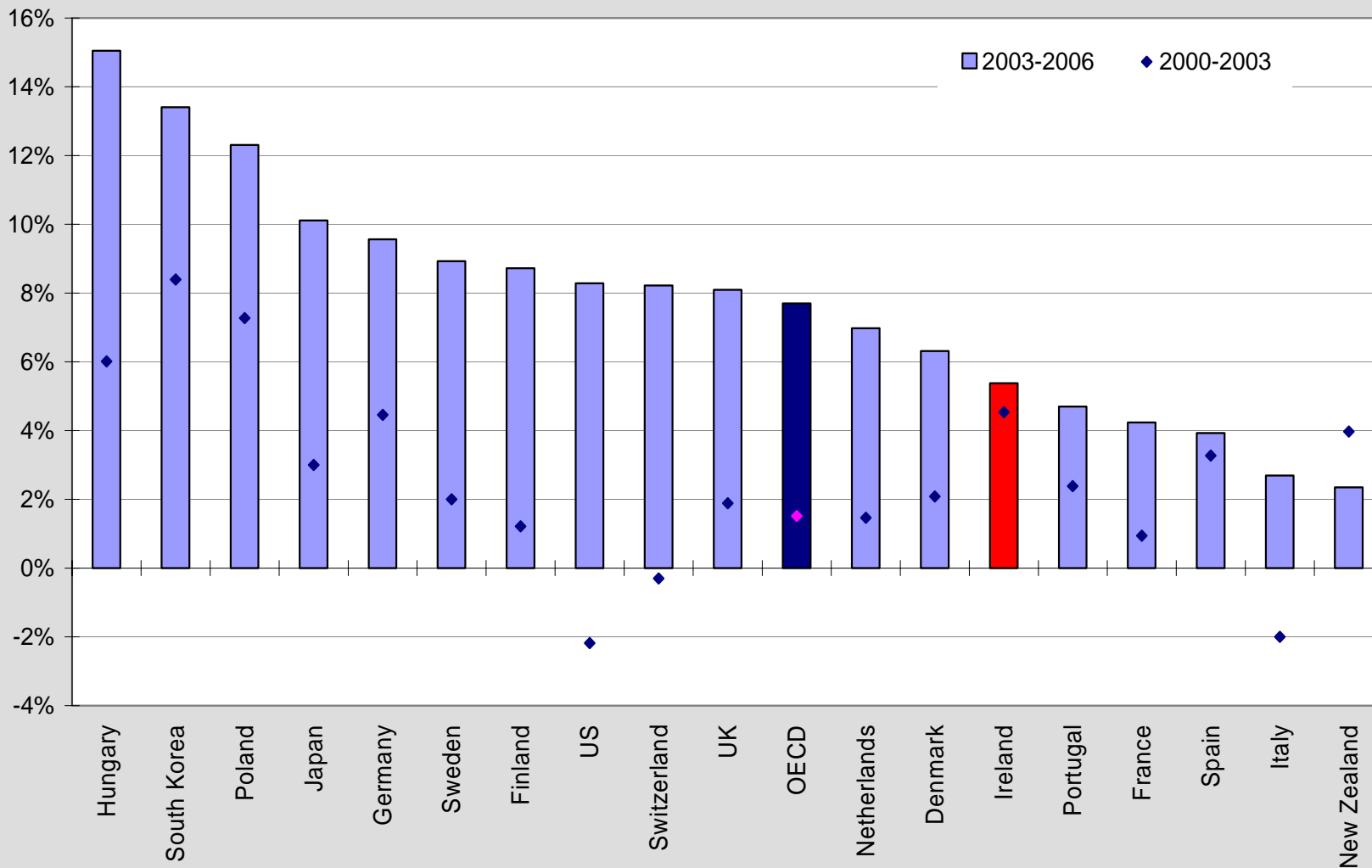
5. Despite high levels of government investment, Ireland's infrastructure - both basic and technological, remains weak.
6. On the job training and learning is below the EU-15 average and Lisbon target of 12.5%.
7. Finally, despite increasing levels of investment, Ireland's R&D infrastructure lags top performers.

Ireland's Share of World Trade, 2000 - 2006



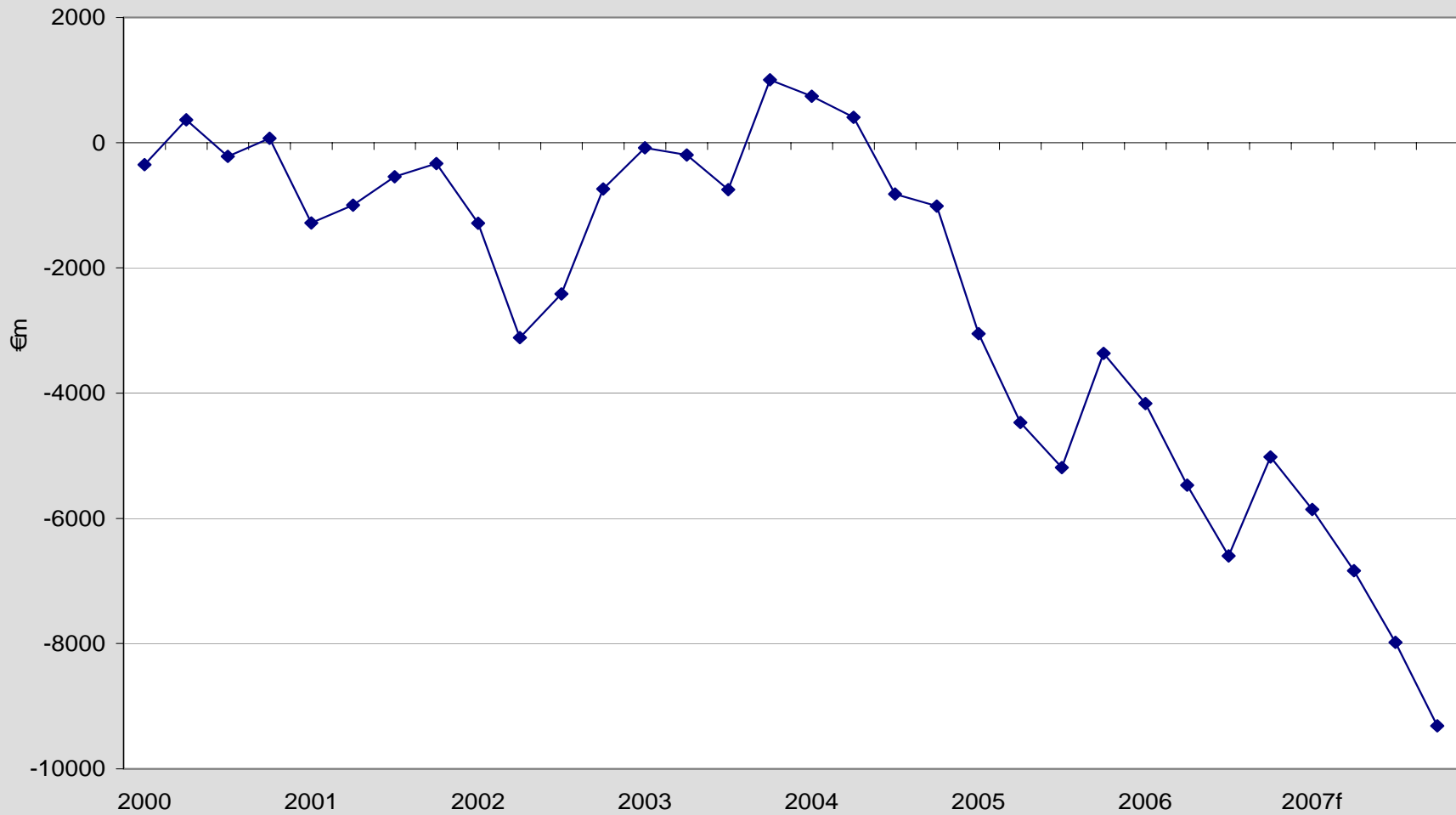
Source: World Trade Organisation [online]

Annual Average Growth in Exports of Goods and Services, 2000 - 2006



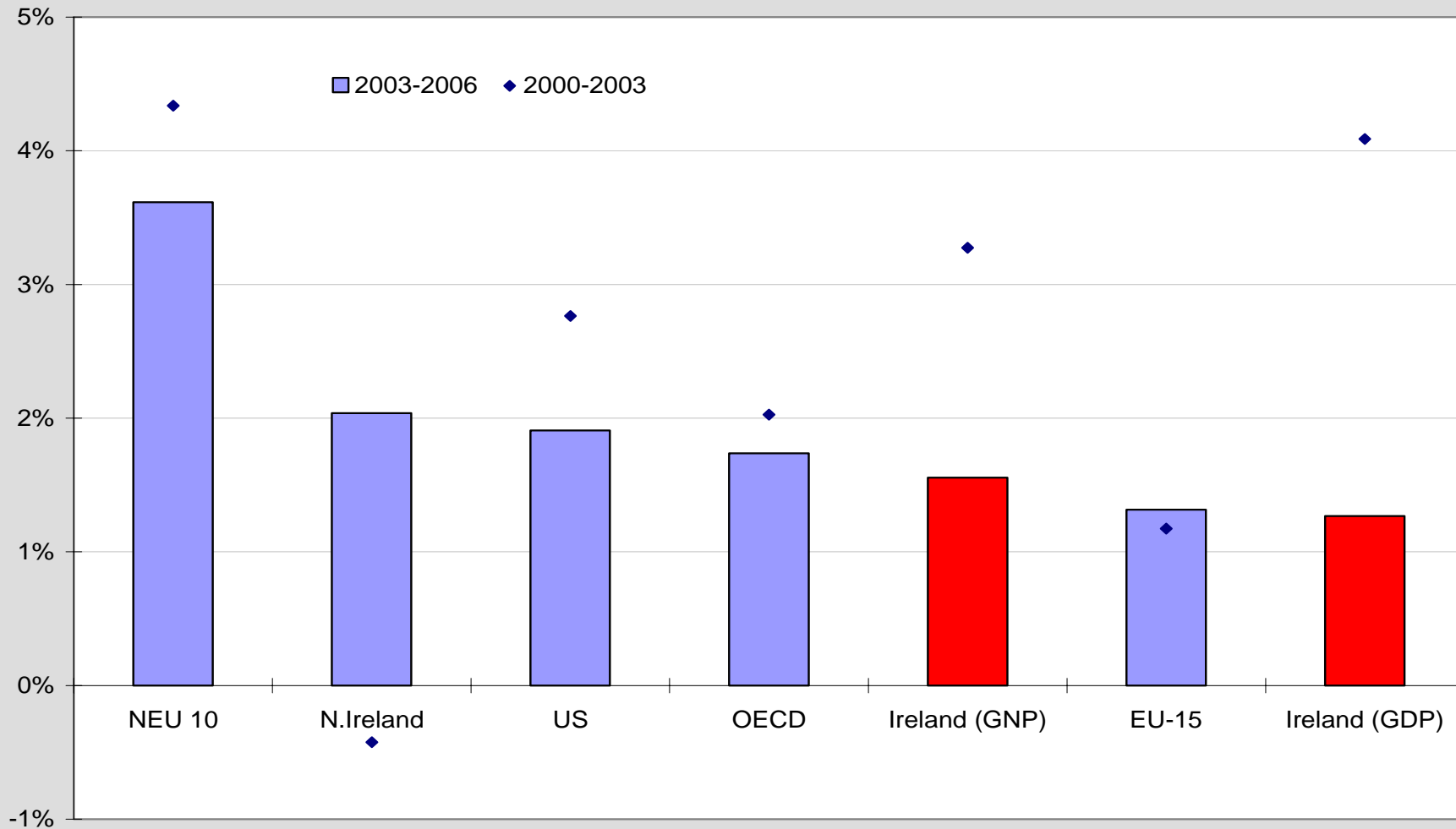
Source: OECD, Economic Outlook No. 81, 2007

Current Account Balance, 2000 – 2007f



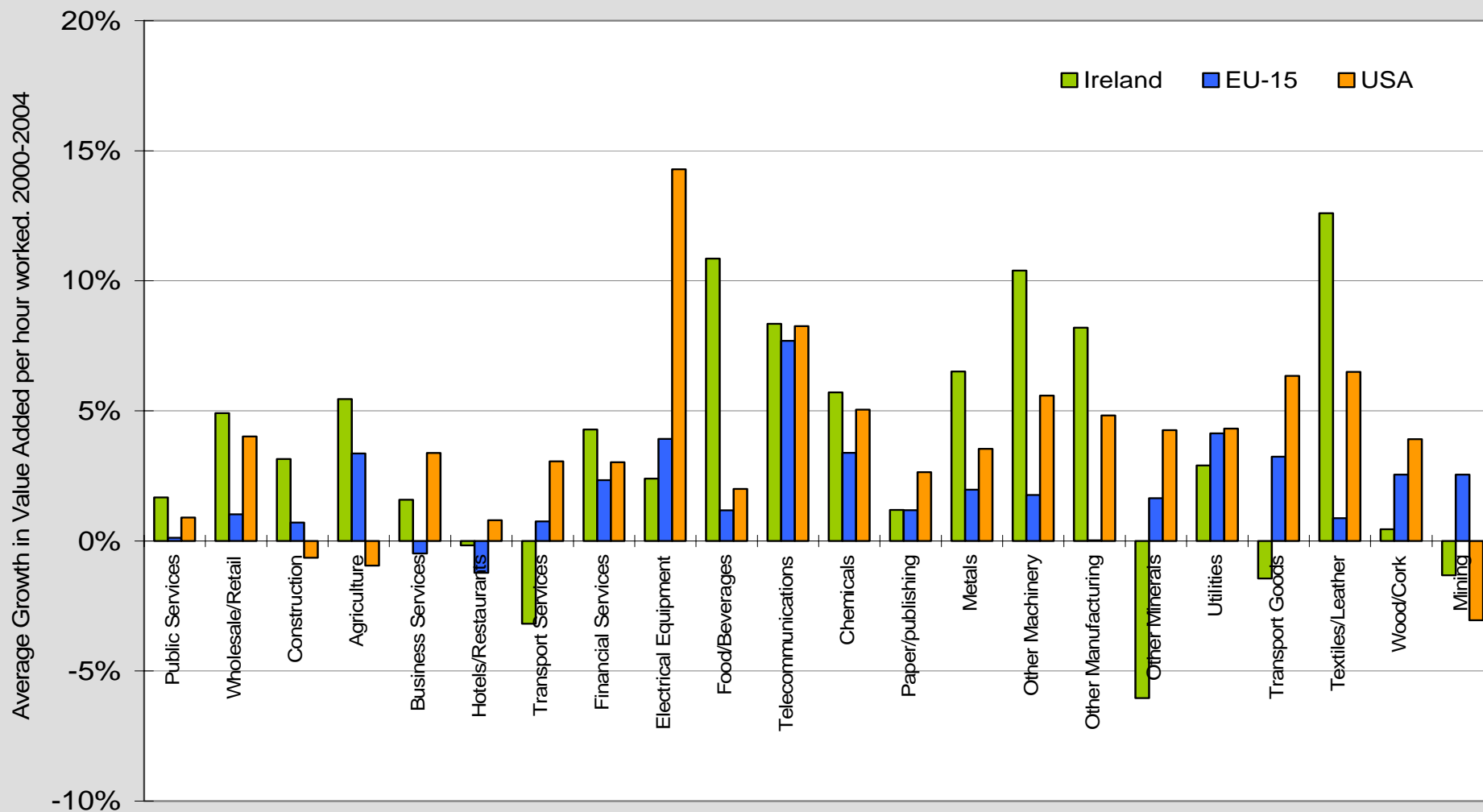
Source: Forfás calculations; Central Statistics Office; Economic & Social Research Institute

Annual Average Growth in Output per Hour Worked (Productivity), 2000 - 2006



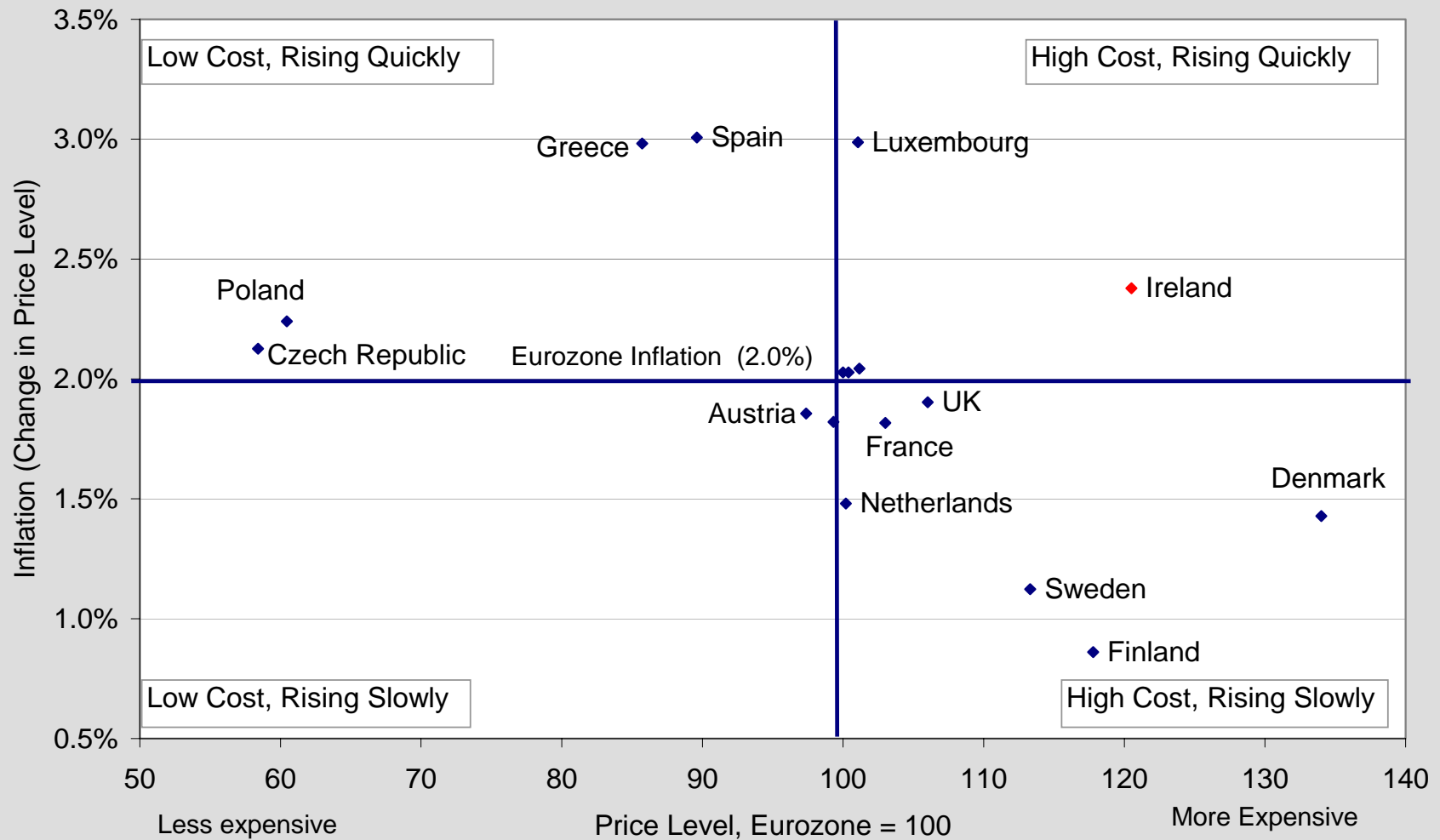
Source: Forfás Calculations; Groningen Growth & Development Centre, Total Economy Database, January 2007; United Kingdom, Office for National Statistics, 2007 [online]; Northern Ireland Department of Enterprise, Trade & Investment, Northern Ireland Labour Force Survey: Historical Supplement Spring 1984 – Spring 2006,

Productivity Growth by Sector, Ireland, EU-15 and US, 2000 - 2004



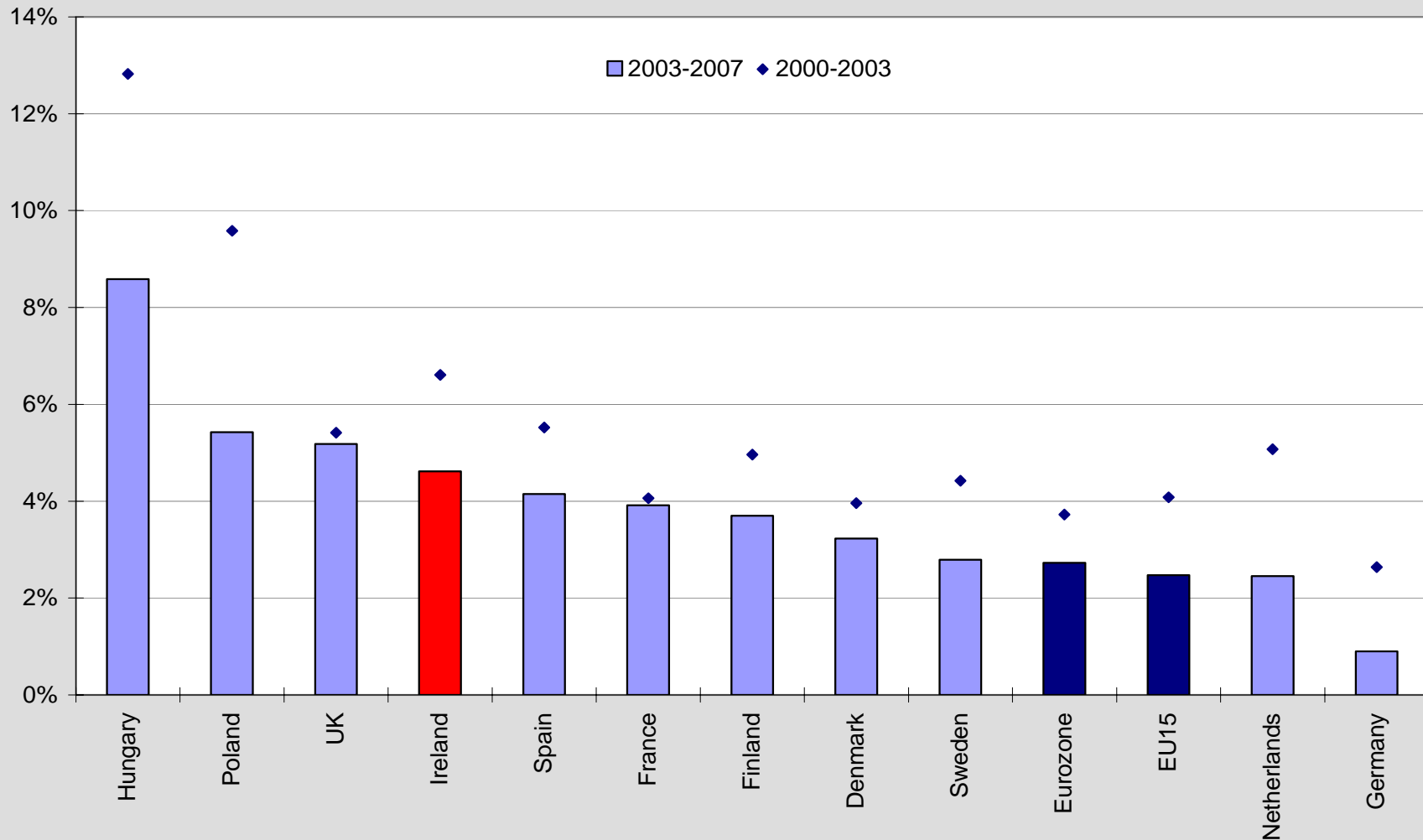
Source: Forfás calculations, EU KLEMS Database March 2007

Price Level, 2006 and Inflation 2003 - 2007



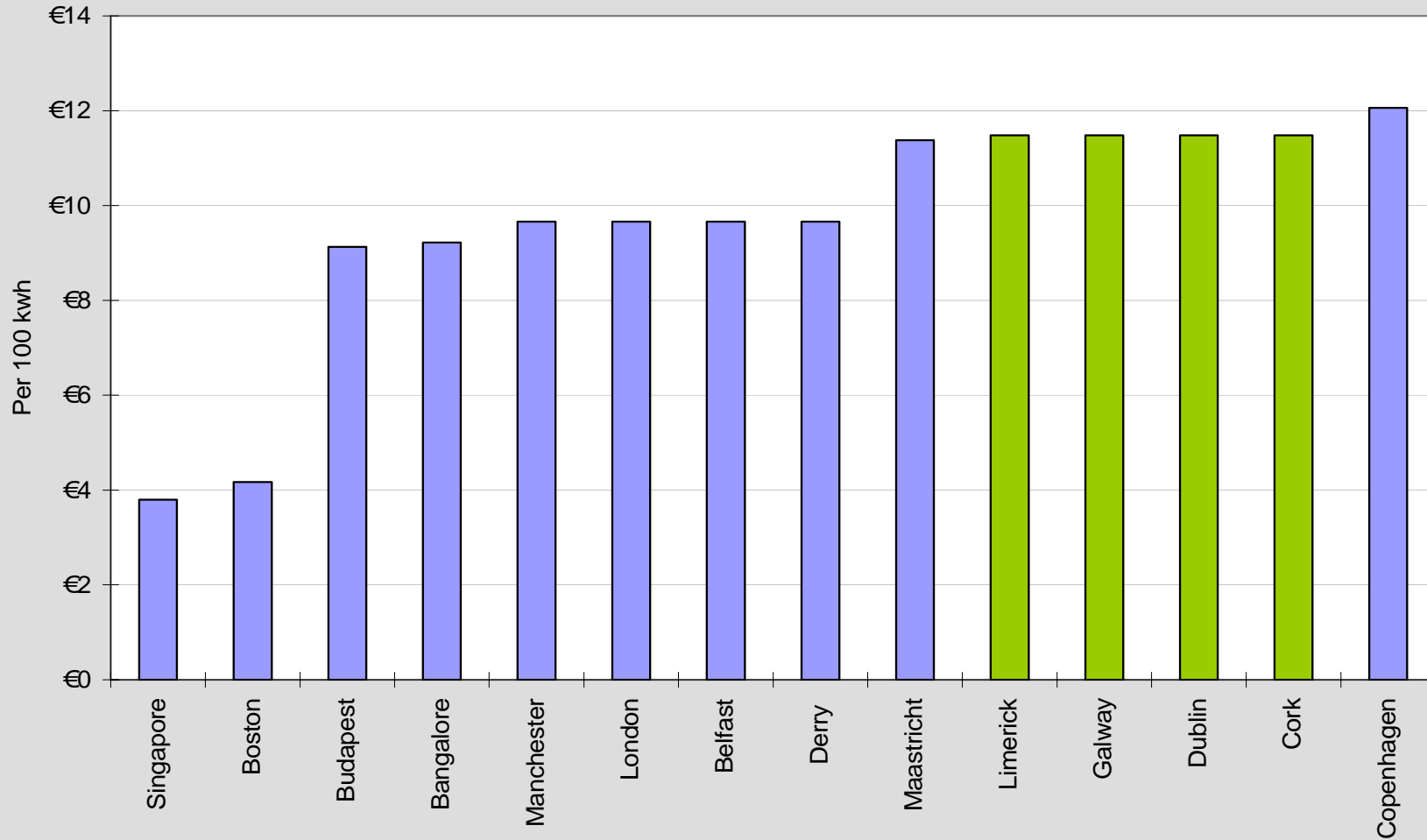
Source: Eurostat, Economy and Finance Indicators, 2007 [online]

Average Growth in Labour Costs 2000 - 2007



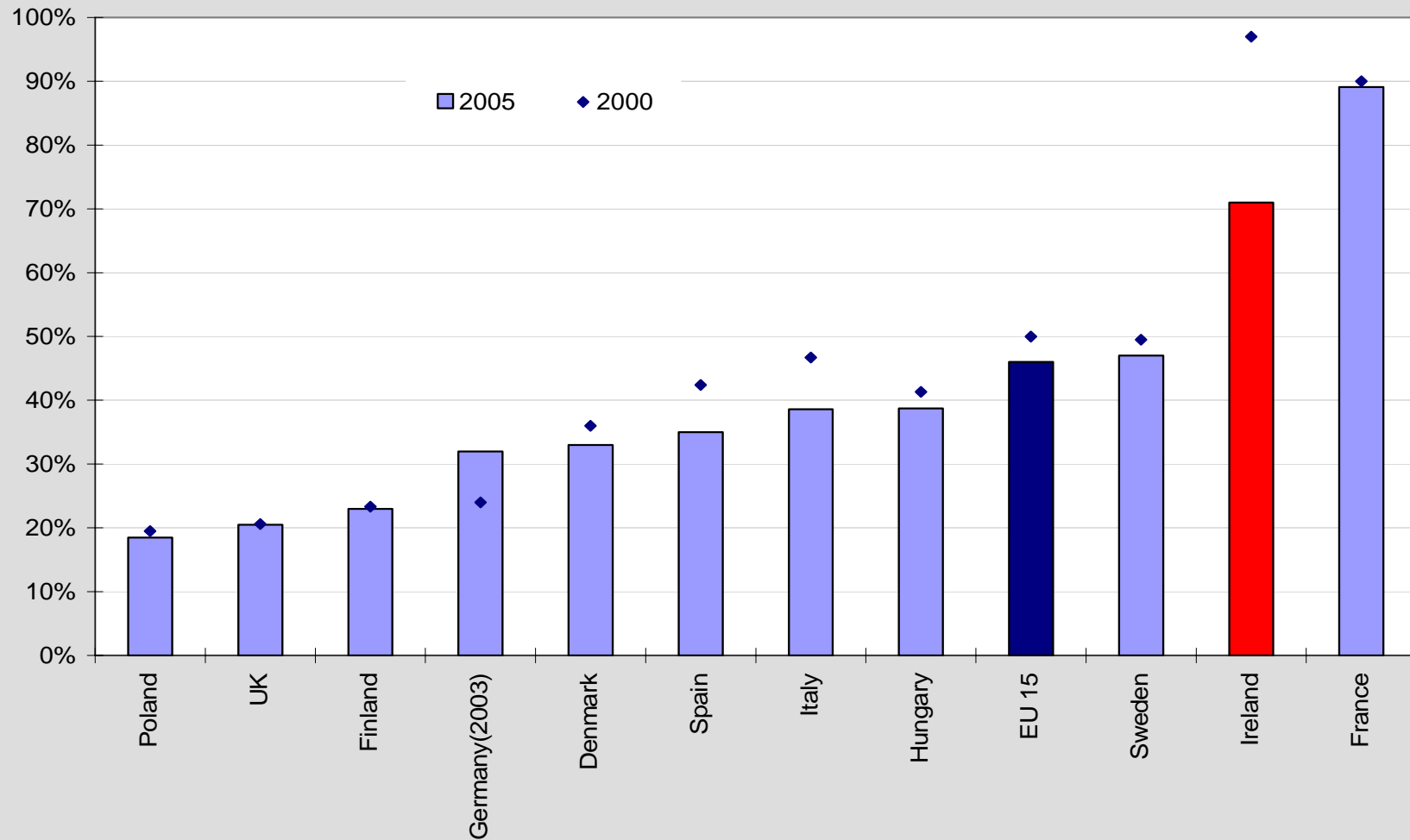
Source: Eurostat, General and Regional Indicators, 2007 [online]

Electricity Costs (per 100 kwh) for Industrial Users, 2007



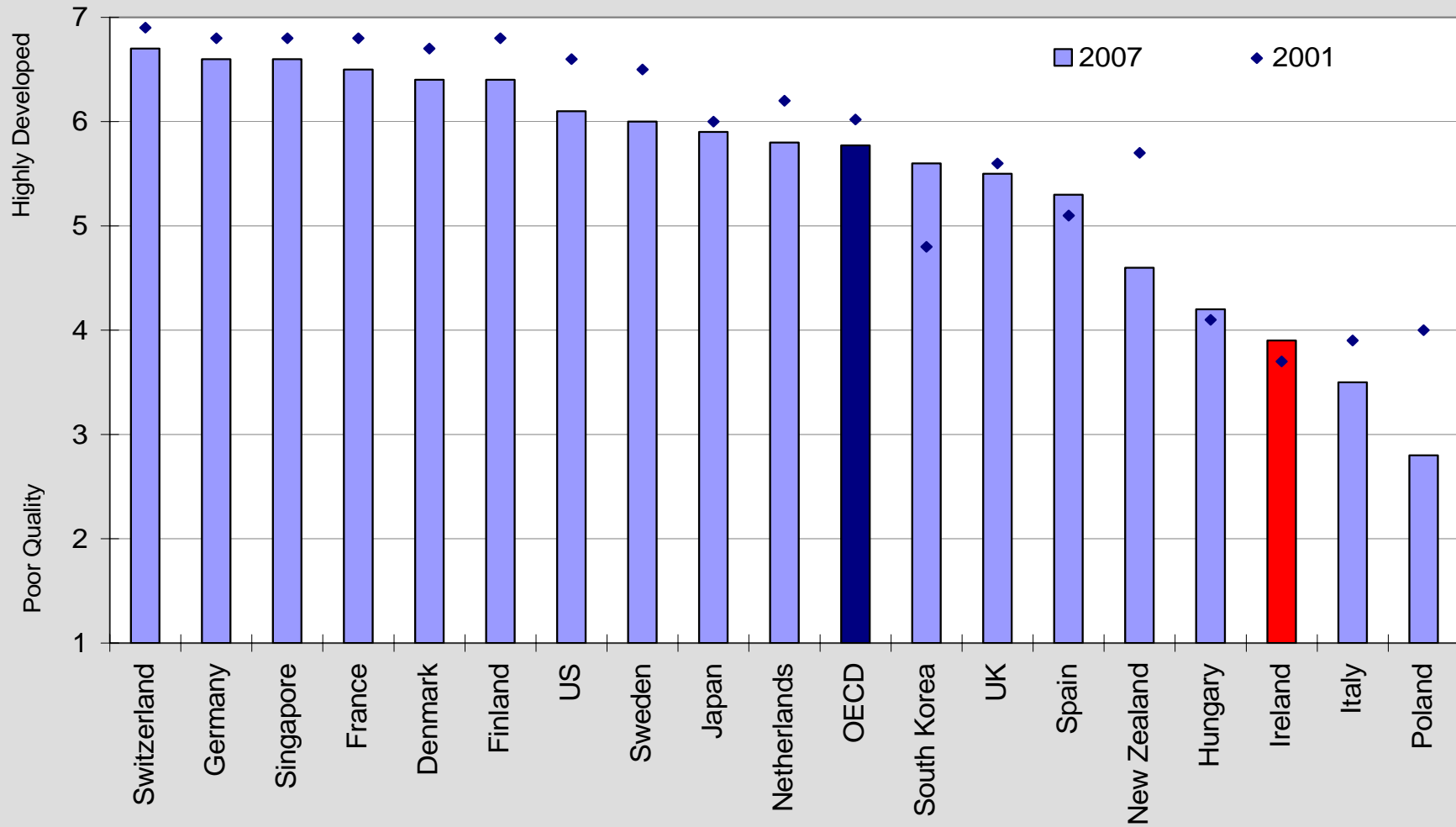
Source: NCC, Costs of Doing Business in Ireland, 2007

Market Share of Largest Generator in the Electricity Market, 2005



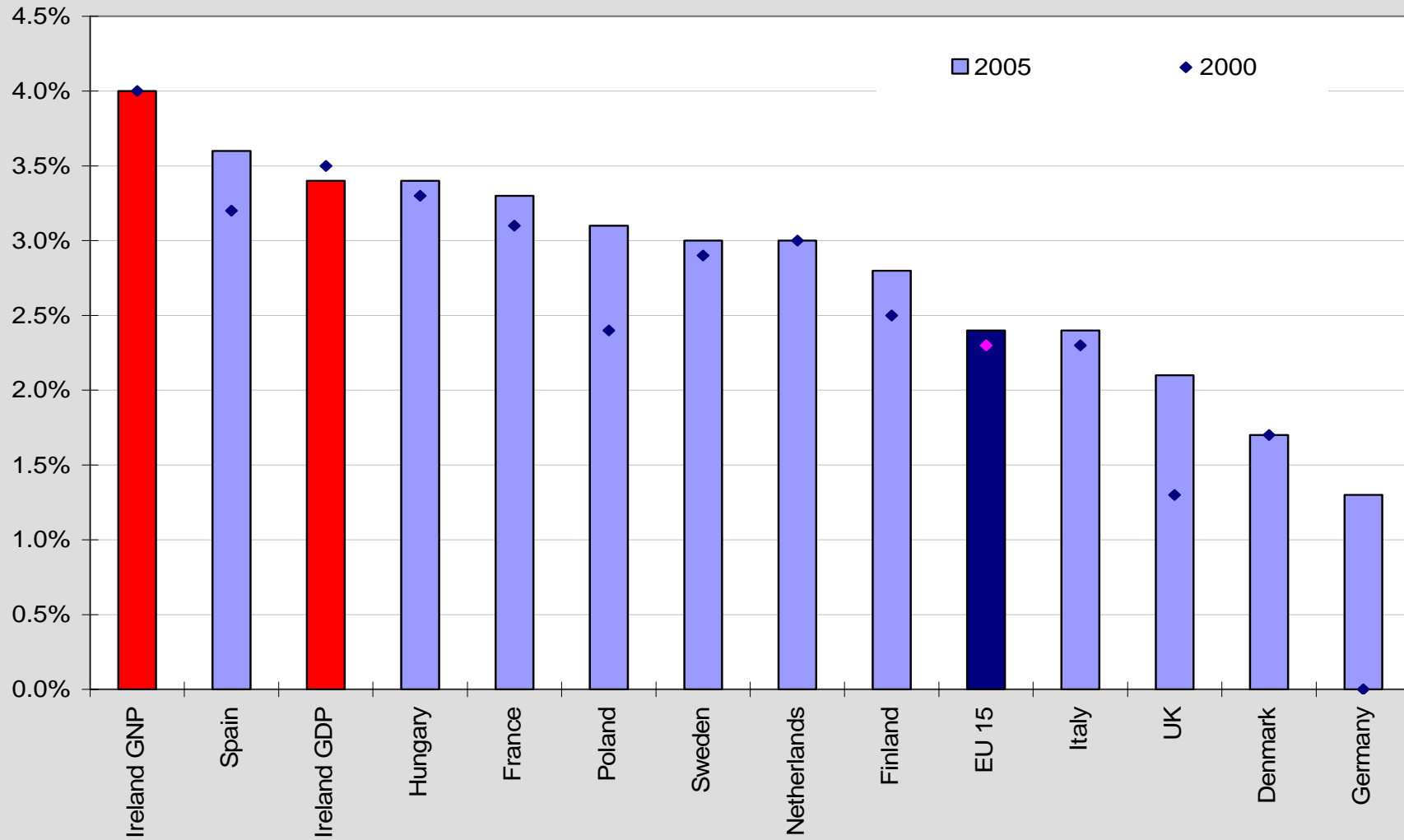
Source: Eurostat, General and Regional Indicators, 2007 [online]

Overall Infrastructure Quality, 2007



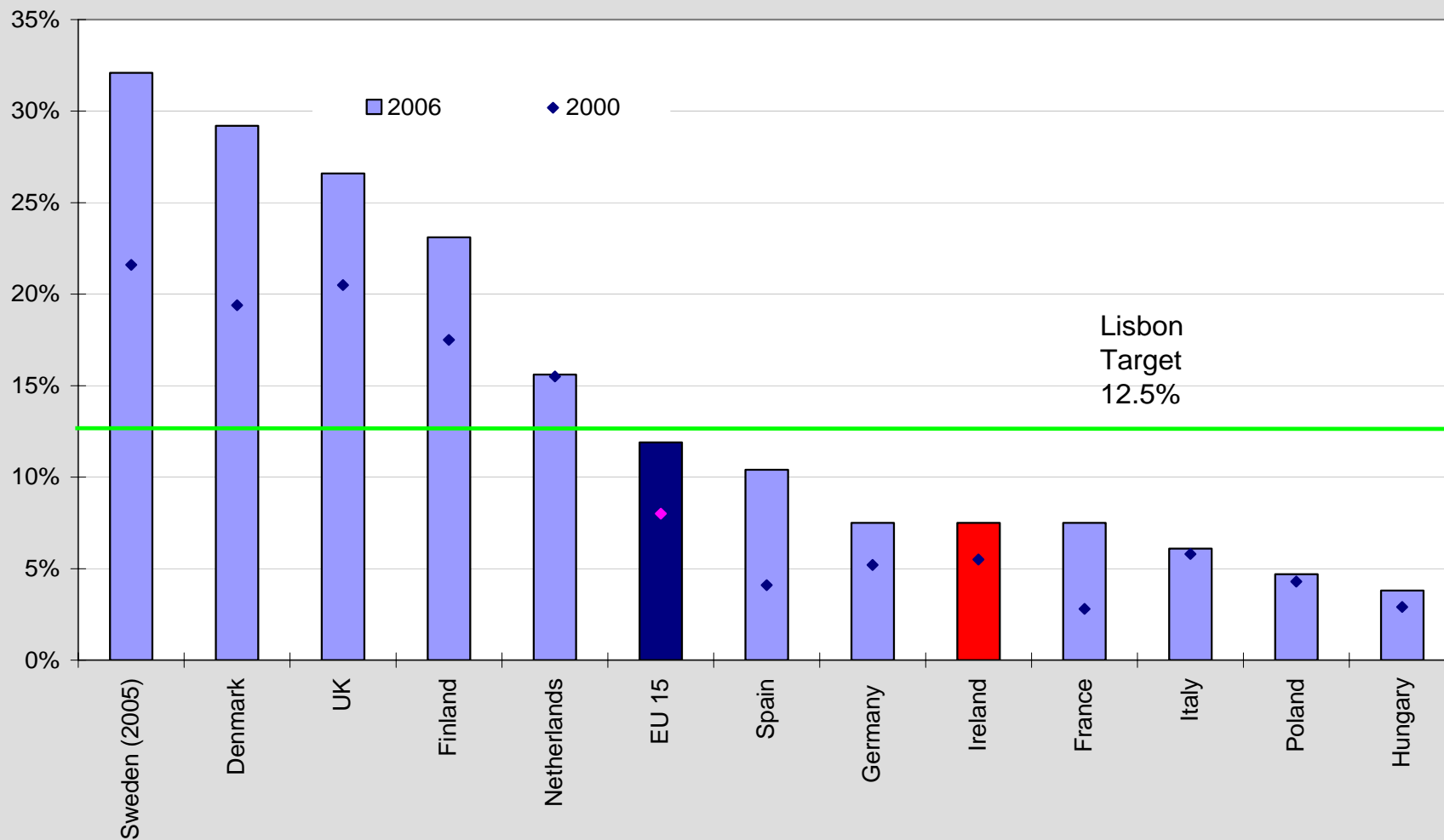
Source: WEF Global Competitiveness Report 2007/08

General Government Gross Fixed Capital Formation (% GDP), 2005



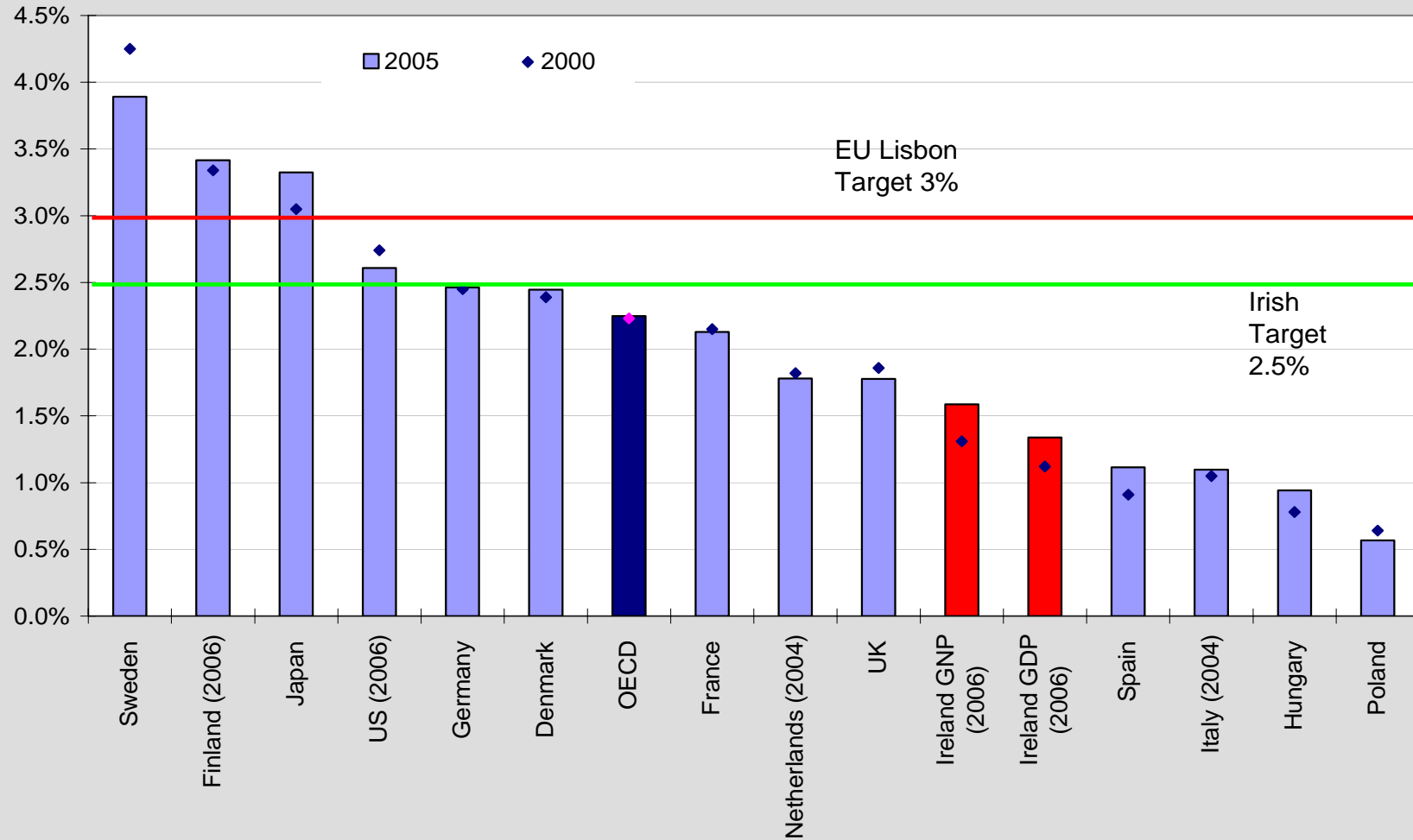
Source: Eurostat, Structural Indicators

Life Long Learning in EU Member States (% 25 – 64 year olds), 2006



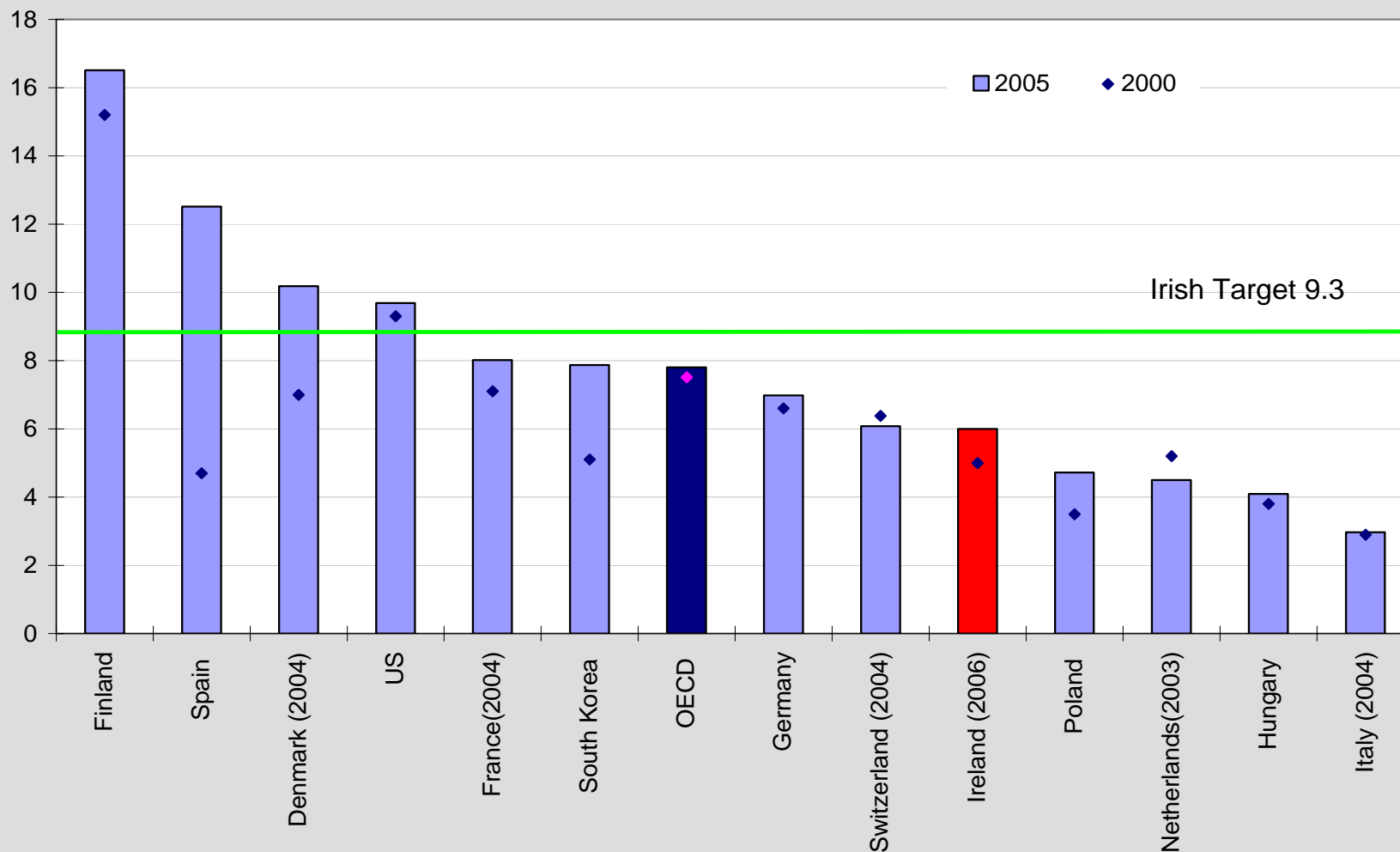
Source: Eurostat, Structural Indicators

Gross Domestic Expenditure on R&D, (% GDP), 2005



Source: Forfás, *Research and Development Statistics in Ireland at a Glance 2006*;
OECD, *Main Science and Technology Indicators, 2007/ Issue 1*

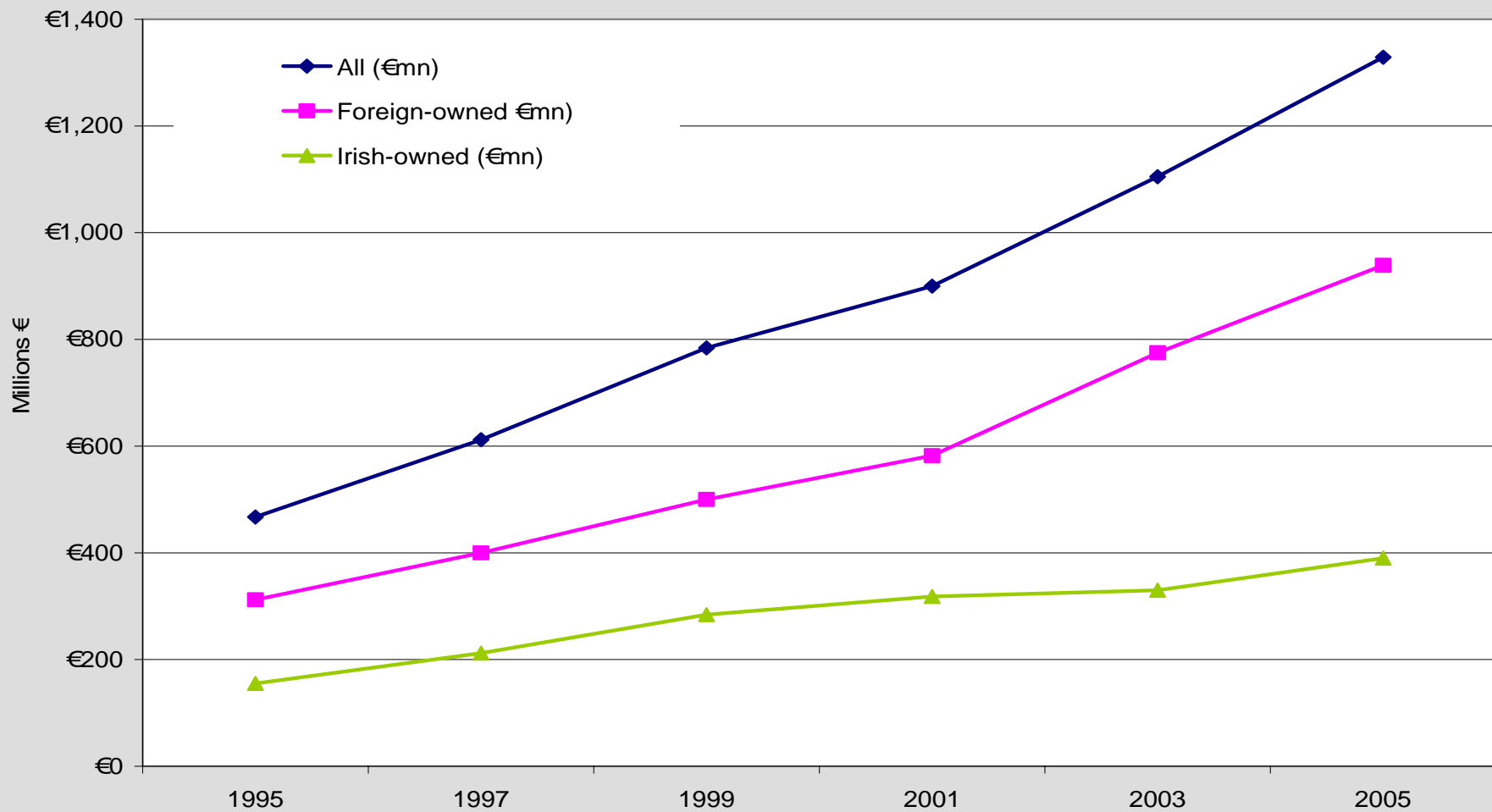
Total Researchers per 1,000 Employment, 2005



Source: OECD, Main Science and Technology Indicators, 2007/ Issue 1



Business Sector R&D Expenditure by Firm Type



Source: Forfás, *Research and Development Performance in the Business Sector Ireland, 2005/06*

Contact NCC

- Website: www.competitiveness.ie.
Full report - Benchmarking Ireland's Performance 2007 with 140 indicators of competitiveness is available. In addition, individual charts and background data can be downloaded.
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