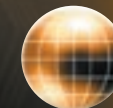


ICT
IRELAND



WHY IRELAND SHOULD BE YOUR LOCATION OF CHOICE...

A proven competitive base for international business



A business sector within IBEC | the Irish Business and Employers Confederation

www.ibec.ie




ICT Ireland is the leading representative body for the technology sector in Ireland and is affiliated to the Irish Business and Employers Confederation (IBEC). We represent over 300 foreign-owned and indigenous companies within the software, hardware and telecommunications sectors. ICT Ireland is also an umbrella body for associations such as the Irish Software Association and the Telecoms and Internet Federation.

ICT Ireland's objective for 2006 to 2009 is to ensure that Ireland retains and extends its global leadership role in information and communications technology. The association provides a powerful united voice for the technology sector to address the challenges it faces. Established in 2001, ICT Ireland works on a range of complex issues, including competitiveness, skills needs, trade, environment, innovation and taxation policy. ICT Ireland provides valuable services to its members, and represents their interests to the Government and state agencies.



ICT Ireland is a business sector within IBEC | the Irish Business and Employers Confederation

www.ibec.ie
www.ictireland.ie



Ireland's transformation into a country with one of the strongest economic growth rates in the world led *The Economist* to describe it as: "Ireland's economic miracle...One of the most remarkable transformations of recent times."

'Europe's shining light', *The Economist*, 1997.

Ten years later, Ireland's success remains unequalled. A strong focus on creating a knowledge economy, coupled with the ability to move with changing times has kept Ireland's economy booming. Ireland continues as the shining example for countries keen to emulate its performance. The OECD Economic Survey of Ireland 2006 shows that Ireland has continued its exemplary economic performance, attaining some of the highest growth rates in the OECD.

Economic Survey of Ireland 2006, OECD.

Both Irish and international sources are confident about Ireland's future. Examining Ireland's continued strong economic growth rate and strong labour market, *The Financial Times* concludes that the evidence so far suggests that Ireland's economy will continue to grow robustly.

'Celtic Tiger continues to purr', *Financial Times*, 8 May 2007.



CHAIRMAN'S STATEMENT

“Ireland continues to be a key location for investments due to its favourable tax structures and a highly-skilled and motivated work force. As companies in Ireland face business challenges due to the increasingly competitive landscape, the partnerships with the Government, tertiary institutes and research centres have helped companies transform from core manufacturing to include marketing and R&D activities that better serve companies in being both competitive and responsive to both European and global markets.”

Lionel Alexander, Vice President, Hewlett-Packard (Manufacturing) Limited and Chair of ICT Ireland

HP is a technology solutions provider to consumers, businesses and institutions globally. The company's offerings span IT infrastructure, personal computing and access devices, global services, imaging and printing for consumers, enterprises and small and medium businesses.

Operating in more than 170 countries around the world, HP explores how technology and services can help people and companies address their problems and challenges, and realise their possibilities, aspirations and dreams.

No other company offers as complete a technology product portfolio as HP. We provide infrastructure and business offerings that span from handheld devices to some of the world's most powerful supercomputer installations. We offer consumers a wide range of products and services from digital photography to digital entertainment and from computing to home printing. This comprehensive portfolio helps us match the right products, services and solutions to our customers' specific needs.





Kathryn Raleigh
ICT Director

What is the secret of Ireland's continued success? Why are multinational technology companies still investing heavily in Ireland? How do our local technology companies continue to compete globally? In ICT Ireland, these are questions that we are constantly called upon to answer.

The following are the key factors, as we see them, in answering these questions. Each one is fully outlined in the pages that follow. All of these factors, as important as they are, are backed by one vital asset – Ireland's proven track record as a location of excellence for the technology industry.

Ireland has:

...a low corporation tax rate and a transparent tax system	7
...a well-educated population	9
...a Government focused on innovation, research and development	11
...a skilled and motivated workforce	13
...guaranteed continued availability of workforce	15
...high productivity, especially in the technology sector	17
...a free economy and a business-friendly Government	19

ICT Ireland's aim is to ensure that Ireland continues to be a location of excellence for the technology industry into the future. Advised by our member companies through a network of working groups, we work to maintain and enhance Ireland's advantages as listed above, through advocacy, consultancy and proactive initiatives.

The activities and achievements of ICT Ireland's working groups are highlighted in a network of text boxes throughout this document.

The ICT sector at a glance

- The importance of the technology sector's contribution to the Irish economy is acknowledged by the Irish Government. Ministers and officials meet regularly with ICT Ireland and its member companies.
- ICT Ireland aims to ensure that the importance of the industry is regularly highlighted through balanced media coverage.
- With the assistance of our communications working group, ICT Ireland has built up a network of personal contacts in the business and technology media.



“ Ireland’s major investment in infrastructure projects, its grants and corporate tax rates, coupled with an enterprise-friendly attitude, continue to make Ireland an attractive location to invest in. Its educational system produces quality technical and business graduates and there is also a pool of expertise and skills available to meet our demand for experienced personnel. Ireland has a culture of doing business and achieving results with an awareness that we must be flexible, competitive and ready to adapt to compete in the global economy.”

John Hennessy, Managing Director, LM Ericsson

Ericsson is a world-leading provider of telecommunications equipment and related services to mobile and fixed network operators globally. Over 1,000 networks in 140 countries use our network equipment and 40% of all mobile calls are made through our systems. It is one of the few companies worldwide that can offer end-to-end solutions for all major mobile communication standards and our origins date back to 1876.

In 2007, Ericsson will celebrate 50 years of operations in Ireland. In the early 1970s a manufacturing facility was established in Athlone and responsibilities then grew to include a major software development centre in 1979. Today, Ericsson employs 1,700 employees in Ireland, 900 people in R&D activities in Athlone and Dublin, 550 people in the delivery of professional services to Ericsson customers around the world and 250 people supporting local customers in the Irish telecoms market.

INTRODUCTION: THE TECHNOLOGY SECTOR'S CONTRIBUTION TO THE IRISH ECONOMY



The 2006 Central Statistics Office report *Information Society and Telecommunications* shows that the ICT services sector employs 53,000, accounting for over 7% of total services employment. The ICT manufacturing sector employs 30,000 people and accounts for almost 13% of total industrial employment. In 2006 alone, 3,386 new jobs were created in the ICT sector, representing a total increase of 2.6% in employment since 2005.

Turnover in the ICT sector is almost €53 billion – one-fifth of the total turnover in industry and services. Value added in the ICT sector, at €14.6 billion, accounts for 16% of total gross value added (GVA) in industry and services.

Technology exports account for more than one-third of all exports. This is particularly significant given the high reliance of Ireland on exports, where 84% of our goods are exported.

In 2006, there were 210 foreign-owned companies in the Irish ICT sector according to the Industrial Development Agency (IDA). Seven of *Fortune Magazine's* 2007 top ten leading ICT companies worldwide have a substantial base in Ireland.

Table 1: The technology sector's contribution in figures

	Persons employed	Enterprises	Turnover (million)	Gross value added
ICT manufacturing	30,000	183	€32,299	€6,779
ICT services	53,400	5,101	€20,530	€7,771
Total	83,400	5,284	€52,829	€14,550

Source: *Information Society and Telecommunications, Central Statistics Office, 2006*

The ICT sector at a glance

- Government ministers and senior officials from the state agencies regularly attend ICT Ireland working groups to discuss current policy with member companies.
- In 2007, ICT Ireland and the Irish Government announced a joint Home Computing Initiative, aimed at increasing the take-up of computers in Irish homes.
- Ireland's head of Government, Taoiseach Bertie Ahern, was the guest of honour at ICT Ireland's annual members' evening in 2004 and again in 2006.
- ICT Ireland's regulatory environment working group examines impending legislation at both national and EU level, and lobbies for change where necessary.



“ The key to our success locally has been our constant seeking to add value to the company and our ability to adapt to changing local circumstances and global developments.”

Michael Daly, Country General Manager, IBM Ireland

Established in 1956, IBM in Ireland has grown with the Irish economy and plays a key role within IBM's globally integrated enterprise, employing a workforce of over 3,000 highly-skilled individuals. An early example of IBM in Ireland's global integration was the establishment of an international treasury centre in 1991. An integral part of CHQ Treasury's strategy it provides liquidity and operational flexibility in an efficient and well-controlled environment.

Ireland is host to a number of IBM Software Group initiatives, located at the Technology Campus in Dublin. These IBMers are leading cutting-edge development of software, products, accelerators and tools, filing numerous patents on behalf of the corporation. The lab also supports active collaboration with researchers in Irish colleges and universities. Within Software Group, is the industry assets and models group which develops sector-specific data models and associated intellectual assets, helping clients build competitive advantage.

Since 1997, IBM's Integrated Supply Chain organisation has had a significant presence at the Dublin Technology Campus. Also located in Ireland is a 1,250 seat multilingual contact centre, part of the global capability of both ibm.com and ISC's Global Service Delivery.

.... LOW CORPORATION TAX RATE AND A TRANSPARENT TAX SYSTEM

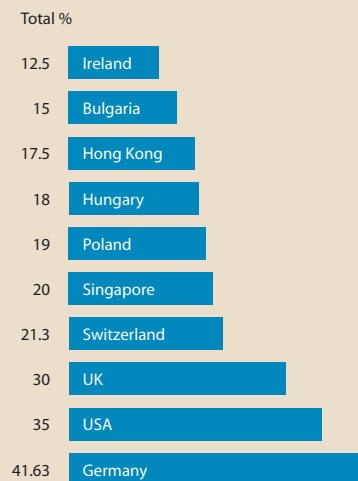


At 12.5%, Ireland has one of the lowest corporation tax rates in the world.

Ireland has carefully put in place a business-friendly, economic and fiscal environment, which has played a significant part in attracting foreign direct investment.

Ireland's corporation tax regime has driven the country's competitiveness over the past ten years. Despite the very low rate, Ireland collects more of its GDP in corporation tax than any other country in the OECD. Employer contributions are also among the lowest in Europe, at 10.75% of gross wages and salaries.

Table 2: Corporation tax rates



Source: IMD Competitiveness Yearbook 2007

Table 3: Employers' social security contributions



Source: Taxing Wages 2005-2006, OECD, 2007

Ireland's fiscal system is also sufficiently flexible to allow new measures that will assist businesses in a changing economic landscape. For example, the 2004 Finance Act acknowledged the growing importance of R&D in Ireland by introducing a 20% tax credit on incremental R&D expenditure.

The ICT sector at a glance

- The Irish Government and ICT Ireland are committed to keeping the 12.5% corporation tax rate and have pledged to resist any moves towards a harmonised tax rate in Europe.
- Despite Ireland's low corporation tax rate, Ireland raises 3.8% of its GDP in corporation taxes, compared to an EU average of 2.9%.



“ The adaptability and flexibility of our highly-talented people in Ireland has been critical to our success. The Irish Government has proved itself receptive to the concerns of business and quick to respond to business needs. We are well positioned to participate in and enable the emerging knowledge economy. Our employees in Intel Ireland are demonstrating an ever-increasing set of critical skills, and the ability to learn and adapt to the new challenges and opportunities. This has been fundamental to Intel’s ongoing success in Ireland.”

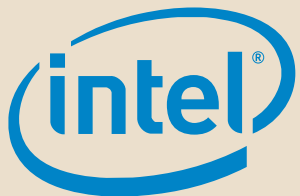
*Jim O'Hara, Vice President Technology Manufacturing Group,
General Manager, Intel Ireland,
Plant Manager, Ireland Fab Operations*

Intel Corporation is the world’s leading semiconductor manufacturer.

Intel established its sole manufacturing and technology centre for Europe in Ireland in 1989. The Intel Ireland campus at Leixlip is currently Intel’s largest manufacturing site outside the US.

Intel continues to invest in its Irish operations and, to-date, has invested \$7 billion in turning 360 acres of the Collinstown Industrial Park into the most technologically-advanced industrial campus in Ireland. Intel Ireland incorporates Intel’s latest 65 nanometer technology on 300 mm silicon wafers, producing state-of-the-art microprocessors for the computing and communications industry.

Intel Ireland provides direct employment for approximately five thousand people including long-term contractors. Over 75% of Intel’s direct employees hold a third-level qualification.



...A WELL-EDUCATED POPULATION



“Ireland has one of the best education systems in the world”

IMD World Competitiveness Yearbook 2007.

The recent introduction of science into the school curriculum at primary level is a significant development. From an early age, children are introduced to basic scientific concepts and methodologies, such as observation of experiments and deductive reasoning.

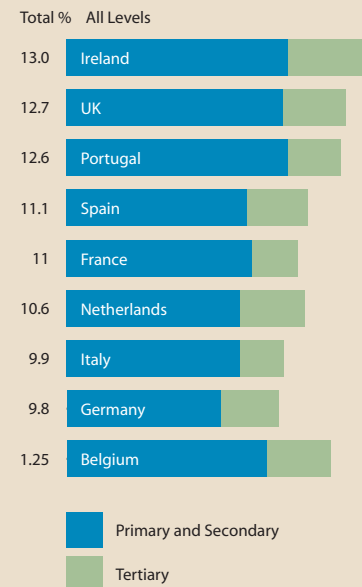
At second level, almost 90% of students study science to Junior Certificate level, at age 15. At Leaving Certificate level, approximately 60% of students study at least one of the three science subjects. The Government aims to increase this number to 80% by 2013.

The political system recognises the importance of science and engineering to Ireland’s continued growth. In 2003, the Government launched a

new initiative aimed at raising public awareness of science, technology and engineering. The Discover Science and Engineering Programme, funded by the Government, aims to increase the student uptake of science at second and third level. It also promotes a positive attitude to careers in science, engineering and technology.

Ireland’s total investment in knowledge (including public and private spending on higher education), increased by an average annual rate of more than 10% over the past decade. This compares with averages of around 3% in the EU and the OECD.

Table 4: Annual increase in education expenditure



Source: IDA Vital Statistics 2006

The ICT sector at a glance

- Maintaining Ireland’s traditional strength in science and engineering is the focus of the ICT Ireland education working group.
- One of our most successful initiatives has been the ICT Champions programme, which aims to encourage second-level students to consider science and engineering as career options. Enthusiastic employees from our member companies volunteer to visit schools to talk about their careers.
- In 2006/2007, 400 post primary schools signed up for a visit from a Champion. By 2009, we hope to cover all 750 post primary schools nationwide.



“ Having chosen to set up in Ireland over 30 years ago, our world-class development teams have continuously delivered new products that have enhanced our pre-eminent position in the field of analog semiconductor components. These teams are fuelled by scientists and engineers schooled in the Irish colleges.”

Robbie McAdam, Group Vice President, Analog Semiconductor Components

Analog Devices Inc., a world-leading semiconductor company, opened an operation in Limerick in 1976. The Irish operation is the corporation's world business centre for precision analog-to-digital and digital-to-analog semiconductors. Many functions are located in Ireland, including responsibility for R&D, manufacturing, marketing, sales and distribution, treasury and management of all non-US manufactured product.

The Irish manufacturing facility includes an 8" fabrication module and is the most advanced production facility within Analog, at the forefront of ADI technical developments worldwide. Production at the Irish plant in Limerick has moved up the value chain and low-level manufacturing is outsourced to other plants around the world, with the manufacturing process controlled from Limerick. The engineering and design teams at the Limerick plant have their primary focus on innovation and new product development. The R&D group includes microelectronics design engineers, physicists, chemists, software engineers and process engineers.

...A GOVERNMENT FOCUSED ON INNOVATION, RESEARCH AND DEVELOPMENT



“The Irish Government has put a new emphasis on science, especially the kind that can benefit the rest of the economy.”

Time Magazine, January 2004

As far back as 1998, the Irish Government recognised that biotechnology and information and communications technology represented “the engines of future growth in the global economy...”. In that year, the Government-commissioned *Technology Foresight* report concluded that: “A world-class research capability in selected niches of these two enabling technologies is an essential foundation for future growth.”

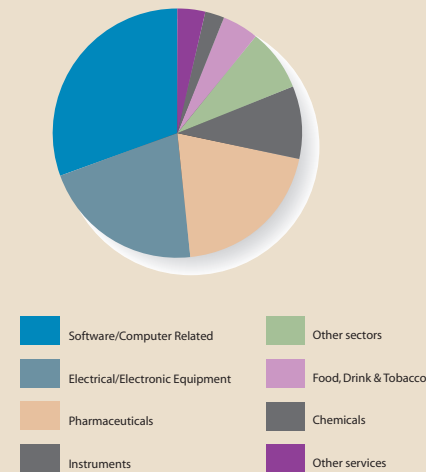
To put in place this foundation, a Technology Foresight Fund was established in 2000, with a budget of €646 million. Today, the budget allocated to scientific research is over €8.2 billion. A new dedicated body, Science Foundation Ireland, has also been established to attract and invest in scientific talent for Ireland, by funding centres for specific areas of research in engineering and technology.

In administering this budget, the Irish Government agencies place a huge emphasis on industry and academic collaboration. US consultancy Forrester Research places Ireland top of a league of 26 industrialised countries that benefit from a trend towards “innovation networks” – partnerships between companies or countries.

Ireland’s inward investment agency, IDA Ireland, also strongly supports industry R&D, investing almost €470 million in 54 R&D projects in 2006. This is almost double the equivalent figure for 2005.

The technology sector takes the lead in performing R&D in Ireland, accounting for over half of total business expenditure in R&D.

Table 5: Business expenditure on R&D



Source: *R&D Statistics at a Glance, Forfás, 2006.*

The ICT sector at a glance

- ICT Ireland works closely with Enterprise Ireland to form research partnerships and clusters between industry and academia.
- Through lobbying and submissions to the budget process, ICT Ireland was successful in obtaining an extension of the R&D tax credits in the 2007 Finance Act.
- In 2006, 212 foreign-owned companies invested more than €250,000 per annum on R&D in Ireland.

Science and technology timeline

- | | |
|--|---|
| <p>1999: Irish Government commission the <i>Technology Foresight</i> reports.</p> <p>2000: The Technology Foresight Fund is established, with a budget of €646 million.</p> <p>2003: Science Foundation Ireland is established on a statutory basis.</p> | <p>2004: Science Foundation Ireland is given an increase of 62%, and the chief science adviser to the Government is appointed.</p> <p>2006: <i>A Strategy for Science, Technology and Innovation</i> is published, which, together with the National Development Plan, allocates a budget of €8.2 billion to scientific research.</p> |
|--|---|



“Ireland has proved itself as a great location for Dell and other multinational firms. Our workforce in Ireland is dedicated, highly skilled and, above all, receptive to new challenges. Is it any wonder that many of our EMEA team leaders are Irish?”

David Marmonti, Senior Vice President and President, Dell Europe, Middle East and Africa

Established in Ireland in 1990, Dell is the country's largest exporter and largest technology company, employing around 4,500 people.

Dell's world-class operation in Limerick supplies all of Dell's computer products for the EMEA. Over the last 15 years, it has evolved with many additional functions including an R&D Centre and an EMEA Command Centre. Limerick is also a central hub for the EMEA supply chain, services, business operations and finance, and includes the Dell EMEA Applications Solution Centre.

Innovation House, Dell's EMEA Business Campus in Dublin employs over 1,500 people. It is responsible for sales and marketing activities in both the local Irish market and the home and SME sector of the UK. European-wide functions include the EMEA Enterprise Expert Centre and the EMEA marketing team.

....A SKILLED AND MOTIVATED WORKFORCE

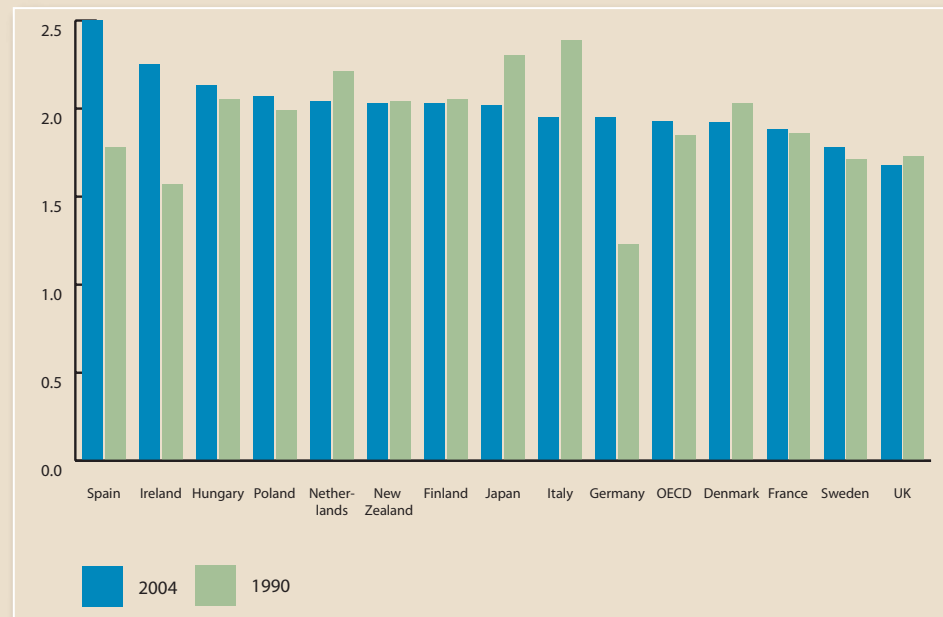


In 2005, employment in Ireland grew by 4.94% – the second highest growth rate of 61 countries benchmarked in the IMD Competitiveness Yearbook.

By the end of 2006, employment had grown to 2.07 million and the unemployment rate was down to 4.1%. This is the lowest it has been for five years, with the number of unemployed falling to 88,700. The labour force grew by 89,700 in the twelve-month period to February 2006.

Ireland also has an extremely high ratio of workers to dependents, higher than anywhere in the OECD except for Spain. This enables the Irish economy to fund its social services without placing a heavy burden on taxpayers.

Table 6: Ratio of workers to dependents



Source: Annual Competitiveness Report, 2006

Ireland's reputation is not solely based on workforce availability, but on the quality of its workers. *The IMD Competitiveness Yearbook 2006* rates Ireland 7.86 out of 10 on the flexibility and adaptability of its workforce when faced with new challenges. Similarly, the motivation of Irish workers is also considered to be very high. International studies, statistics and CEO testimonials all paint a picture of a workforce that is hardworking, adaptable and eager to learn and succeed.

The ICT sector at a glance

- ICT Ireland runs a number of programmes aimed at enhancing technology graduates' employability and suitability for the workforce.
- These include an undergraduate internship programme and a graduate placement programme that are open to all of our member companies.
- A suite of ICT Ireland training courses, designed by member companies for member companies, is heavily subsidised by public money from the Irish Government and the EU, through the Accel fund.



“ The essence of Google is innovation. In Ireland, we found an innovative partnership of Government, business and industry whose pragmatic approach was very appealing. If you can solve complex global problems in one location, you are adding major value to your business and customers. That location is Ireland; with its ‘melting pot’ of languages, cultures and know-how.”

John Herlihy, European Director, Online Sales and Operations, Google

Google’s mission is to organise the world’s information and make it universally accessible and useful. Google first located in Ireland in 2003 with just five employees to provide its international customers with online sales and operations support.

Officially opened in 2004 by founders Larry Page and Sergey Brin, Google’s EMEA headquarters hosts online sales and operations, engineering, finance, legal, human resources and shared service functions for the company’s users and advertisers across the region from Dublin to Moscow and Cape Town to Reykjavík – over 40 countries through as many languages.

The majority of Google’s 1,500 employees in Dublin have fluency in two languages or more and are representative of over 45 nationalities.

In 2006, Google opened its EMEA Learning and Development Centre which facilitates up to the minute training modules for employees and hosts education events for Google’s online customers.

...GUARANTEED CONTINUED AVAILABILITY OF WORKFORCE



Ireland has the youngest population in Europe – 35% of people are under the age of 25 years.

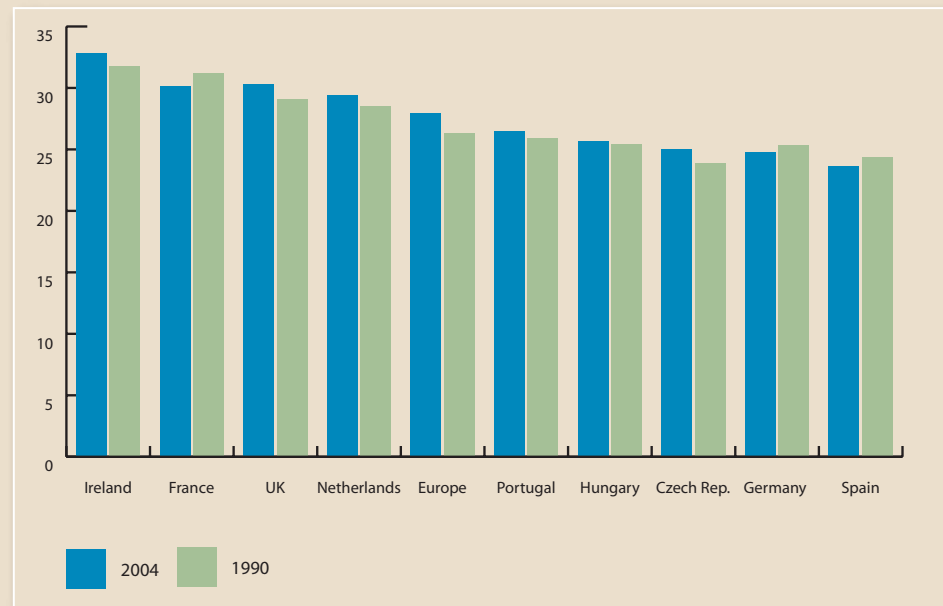
Availability of workers for the continuing economic boom has been ensured by the free movement of workers from the new EU member states into Ireland.

In 2004, Ireland was one of only three of the existing 15 EU member states that immediately opened their borders without labour restrictions to the ten new member states. Despite fears that this might negatively affect economic growth, Ireland achieved an average GDP growth of 4.5% from 2004 to 2006. In fact, the Irish economy achieved the fastest growth rate in the OECD in the first half of the 2005.

The effective personal income tax rate (percentage of income equal to GDP per capita) is 13.39% – lower than in any other EU country. This helps to attract non-Irish workers to Ireland.

Ireland has the youngest population in Europe – 35% of people are under the age of 25 years, with the median age currently 33. Demographic predictions show that Ireland will continue to have the youngest population into the future.

Table 7: % Population under 25



Source: United Nations World Population Prospects 2006

The ICT sector at a glance

- In 2007, ICT Ireland came together with a number of public and private stakeholders to launch a campaign on careers in engineering and technology. This initiative demonstrates the importance that all stakeholders place on the continued availability of the skills necessary for a vibrant technology sector, and the willingness to work together to achieve this.
- ICT Ireland continues to work with the Irish Government to ensure that Ireland enjoys a positive legislative environment for the mobility of non-Irish workers.



Microsoft®

“ Since we arrived in Ireland in 1985 our operations in Ireland have expanded from manufacturing to a broad range of higher-value services supporting our business across Europe, Middle East and Africa. The combination of great people and a good business environment has helped us to continue to innovate both in terms of our business operations and in the area of core research and development.”

Joe Macri, Managing Director, Microsoft Ireland

Founded in 1975, Microsoft is the world-wide leader in software, services and Internet technologies for personal and business computing. Microsoft first set up operations in Ireland in 1985 with the establishment of a disk manufacturing facility, employing 100 people in Dublin. Since that time Microsoft has continued to extend its operations to provide higher-value services from finance, logistics, to sales and marketing, as well as software localisation and research and development for Europe, Middle East and Africa.

Microsoft's Irish operations employ 1,200 full-time employees, including over 500 people involved in research and development, and has over 500 contractors located on site in Sandyford, Co. Dublin.

...HIGH PRODUCTIVITY, ESPECIALLY IN THE TECHNOLOGY SECTOR

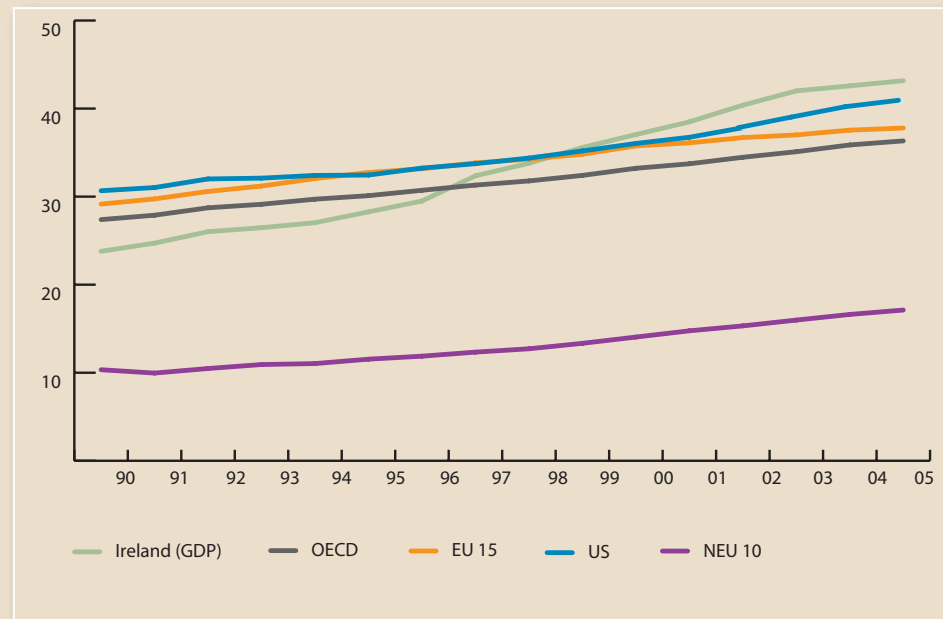


GDP productivity figures indicate that Irish productivity is among the highest in the world.

This high productivity can largely be traced back to the high-value, high-technology industries in the Irish economy. ICT and pharmaceutical manufacturing accounted for more than 30% of the total value added. Four leading manufacturing segments: software, computer and instrument engineering, electrical machinery and equipment, registered a 134% increase in real gross value added per person employed between 1997 and 2003. (*Productivity: Ireland's Economic Imperative*, Paul Tansey, 2005)

Ireland receives nearly one-third of total US investment going to the EU. Due largely to its close trading ties with the US, Ireland is the world's largest exporter per capita. High-technology products and services account for nearly one-third of Ireland's exports.

Table 8: Productivity figures



Source: Annual Competitiveness Report 2006
National Competitiveness Council

The ICT sector at a glance

- ICT Ireland is continually working to enhance Ireland's global competitiveness, and has a series of working groups devoted to issues affecting competitiveness, such as trade, environmental policy and business regulation.
- The trade working group works closely with the tax authorities, often acting as a sounding board for proposed trade and customs legislation in Ireland.
- In 2005, the ICT Ireland environment working group helped to establish WEEE Ireland, the national compliance scheme for the implementation of European electrical recycling legislation.
- IBEC has established REACHAID, a website and helpline, to assist companies in preparing for the new EU chemical regulation REACH.



“ Innovation and quality propelled IONA onto the global stage, and today we continue to meet and exceed industry averages for software development. Ireland has a wealth of software engineering talent that has always been critically important to IONA, and this talent goes to the heart of the company’s DNA. Hard work and entrepreneurial spirit have made Ireland and IONA what they are today.”

Dr. Chris Horn, Vice Chairman of Iona Technologies PLC

For more than a decade, IONA® Technologies (NASDAQ: IONA) has been a world leader in delivering high-performance integration solutions for global 2000 IT environments. IONA pioneered standards-based integration with its CORBA-based Orbix® products. IONA’s Artix™, an advanced SOA infrastructure suite enables customers to leverage service-oriented architecture to streamline and modernise IT environments. The FUSE™ family of open source distributed SOA infrastructure products allows customers to take advantage of the innovation and cost-effectiveness of open source software with complete enterprise support and technical services.

IONA is headquartered in Dublin, Ireland, with US headquarters in Waltham, Massachusetts and offices worldwide. For additional information about IONA, visit our Web site at <http://www.iona.com>.



...A FREE ECONOMY AND A BUSINESS-FRIENDLY GOVERNMENT

“Ireland has one of the world’s most pro-business environments, especially for foreign businesses and foreign investments.”

This is the conclusion of the 2007 Index of Economic Freedom, compiled by *The Wall Street Journal* and the Heritage Foundation. The index ranks Ireland as the second freest economy in the European region.

Ireland’s Government is renowned for its business-friendly policies. Its small population allows industry to build strong personal relations with politicians and officials in Government departments and agencies.

Ireland’s political environment is extremely stable, while remaining flexible enough to adopt legislation when necessary. In 2007, the pro-business party Fianna Fail entered its third term in Government. However, even a future change in administration would be unlikely to change Government sentiment towards business, as all political parties have adopted business-friendly policies.

The survey evidence from the *IMD Competitiveness Yearbook 2007* bears this out, showing that industrialists based in Ireland had a positive perception about the relationship between the Government and business. In particular, Ireland ranks in the top ten countries for:

- having political parties that understand today’s economic challenges;
- adaptability of Government policy to changes in the economy;
- a regulatory framework that encourages enterprise competitiveness;
- a consistent Government policy direction.

According to *The Economist Intelligence Unit* business environment rankings, Ireland will remain one of the most attractive business locations in the world throughout the period 2007 to 2011.

Table 9: Index of economic freedom

	Country	2007 Score
1	United Kingdom	81.6
2	Ireland	81.3
3	Luxembourg	79.3
4	Switzerland	79.1
5	Estonia	78.1
6	Denmark	77.6
7	The Netherlands	77.1
8	Iceland	77.1
9	Finland	76.5
10	Belgium	74.5
11	Germany	73.5
12	Cyprus	73.1
13	Sweden	72.6
14	Lithuania	72.0
15	Austria	71.3
16	Spain	70.9
17	Norway	70.1
18	Czech Republic	69.7
19	Armenia	69.4
20	Georgia	68.7
21	Slovak Republic	68.4

	Country	2007 Score
22	Latvia	68.2
23	Malta	67.8
24	Portugal	66.7
25	Hungary	66.2
26	France	66.1
27	Slovenia	63.6
28	Italy	63.4
29	Bulgaria	62.2
30	Albania	61.4
31	Romania	61.3
32	Macedonia	60.8
33	Moldova	59.5
34	Turkey	59.3
35	Poland	58.8
36	Greece	57.6
37	Croatia	55.3
38	Bosnia and Herzegovina	54.7
39	Russia	54.0
40	Ukraine	53.3
41	Belarus	47.4

Source: Wall Street Journal, Heritage Foundation



ORACLE®

“ The high tech industry becomes better, faster and smarter all the time – like technology itself. Ireland’s ability to remain agile and responsive to the industry as it constantly re-invents itself is the key to its continued success.”

Paul O’Riordan, Country Leader and Regional Director of Technology, Oracle

Oracle is the world’s largest enterprise software company with over 74,000 employees. The company develops, manufactures, markets, distributes and services database, middleware and applications software designed to help our customers manage and grow their business operations.

Oracle’s business is information – how to manage it, use it, share it, protect it. For nearly three decades Oracle has provided the software and services that let organisations get the most up-to-date and accurate information from their business systems. Today, with 275,000 customers, Oracle is helping more governments and businesses around the world to become information-driven than any other company.

Why Choose Ireland?

- The ICT sector employs 83,400 people, representing 8% of total employment in industry and services.
- The ICT sector created 3,386 new jobs in 2006.
- The sector accounts for one-fifth of total turnover in industry and services.
- Seven of *Fortune Magazine's* top-ten leading ICT companies have a substantial base in Ireland.
- The sector accounts for 16% of total value added in industry and services.
- In 2006, there were 210 foreign-owned ICT companies in Ireland.
- The indigenous software sector employs 15,000 people in 660 companies.
- Technology accounts for more than one-third of all exports.
- The technology sector accounts for over half of total business expenditure on R&D.
- At 12.5%, Ireland has one of the lowest corporation tax rates in the world.
- Ireland is considered to have one of the best education systems in the world.
- The Industrial Development Agency Ireland invested €470 million in industry R&D projects in 2006.
- Ireland ranks highest in terms of global innovation capability in an evaluation of 26 OECD countries.
- Ireland has the youngest population in Europe, ensuring future workforce availability.
- Low personal tax rates and freedom of movement continue to attract non-national workers to Ireland.
- GDP figures suggest that Irish productivity is among the highest in the world.
- Ireland ranks second in Europe in *The Wallstreet Journal* Index of Economic Freedom.
- According to CEO surveys, Ireland's political parties understand today's economic challenges and Government policy is responsive to changes in the economy.
- A high ratio of workers to dependents enables Ireland to fund its social services without overburdening the taxpayer.

ICT
IRELAND



Leadership in Information and Communications Technology

ICT Ireland is a business sector within IBEC | the Irish Business and Employers Confederation
Confederation House 84/86 Lower Baggot Street Dublin 2

TELEPHONE + 353 (0)1 605 1527 FAX + 353 (0)1 638 1527
E-MAIL info@ictireland.ie www.ictireland.ie



www.ibec.ie