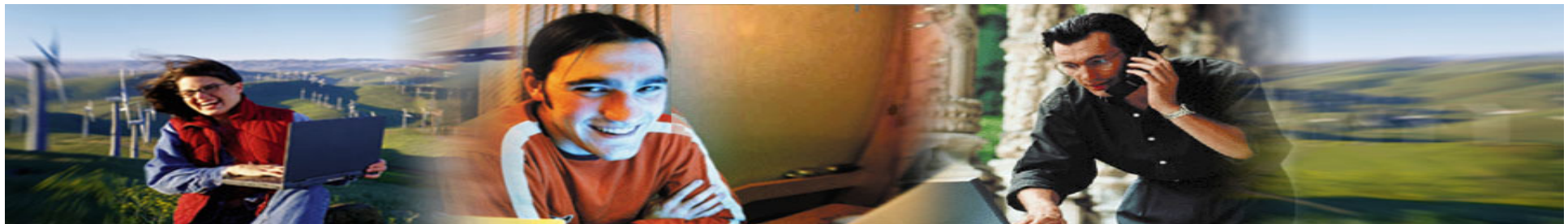




Knowledge Economy

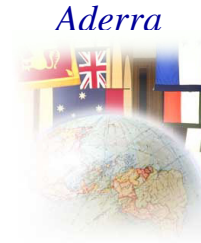
Opportunities & Challenges for Ireland



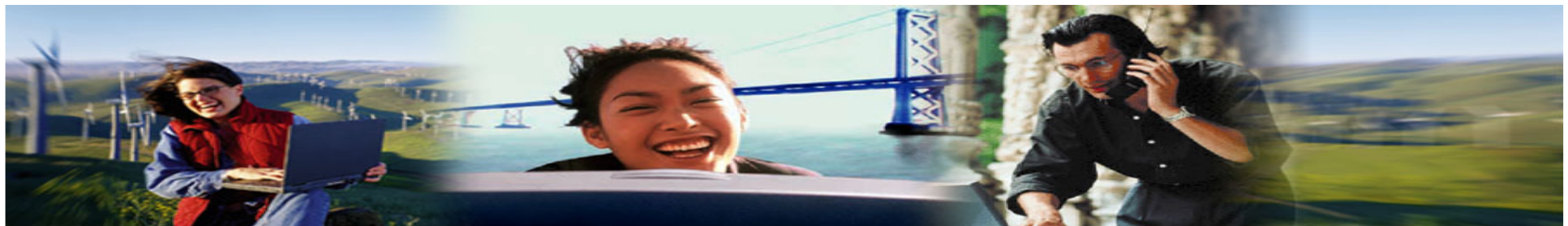
Eoin O'Driscoll April 24th 2007
(eod@aderra.ie)



A Decade of Growth



Economic Performance Indicators	1995	2004
Unemployment %	12.1	4.4
Total Labour Force	1,282,000	1,952,000
Exports (f.o.b)	€ 35.bn	€ 84.bn
Gross Domestic Product (GDP)	€ 53.bn	€ 149.bn
Irish GDP/Capita as % EU 15	89	128 (2005)





Drivers of Growth

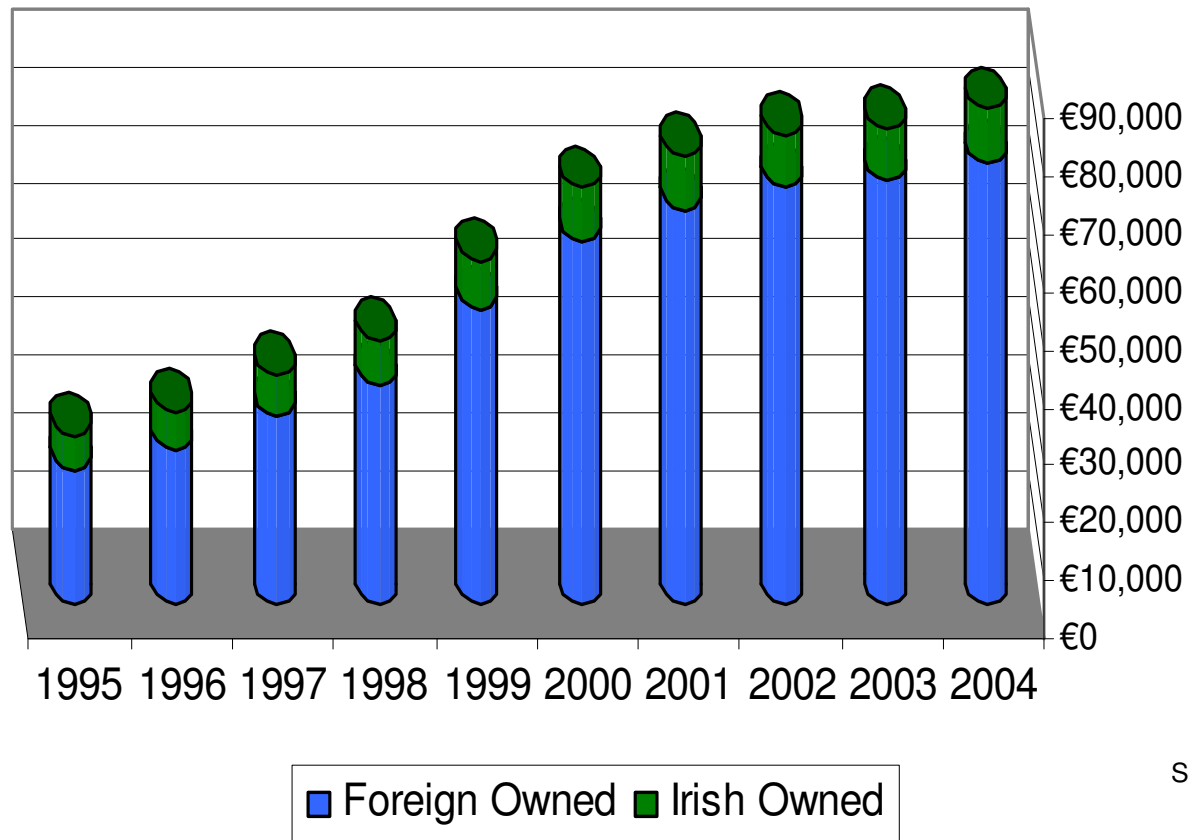
- EU Membership
- Tax
- Social Partnership
- Education / Demographics



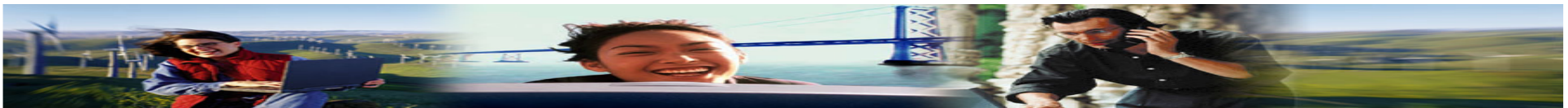
Export Growth

Exports from Agency Supported Enterprises 1995-2004

€M



Source: Forfas





External Environment

Change

- The pace and intensity of Globalisation
- The shift to Services as the engine of growth in developed economies
- The Role of Knowledge in providing differentiation

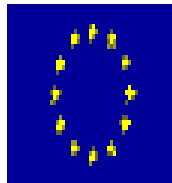


Globalisation / Internationalisation Trends



2001 - China Enters WTO

"We are part of a historical event, an event which will bring a country with one fourth of the world population into the multilateral trading system." Chief Chinese trade negotiator Long Yongtu



EU Services Directive

The objective of the directive is to achieve a genuine Internal Market in services by removing legal and administrative barriers to the development of service activities between Member States



USA largest accredited university; with over 17,000 instructors, 170 campuses, and Internet delivery worldwide. Since 1976, more than 171,600 working professionals have earned their degree



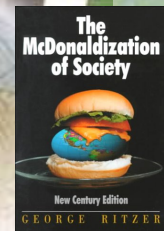
buys



22nd April, 2004

Minister for Transport

Launches Ennis Bypass Project

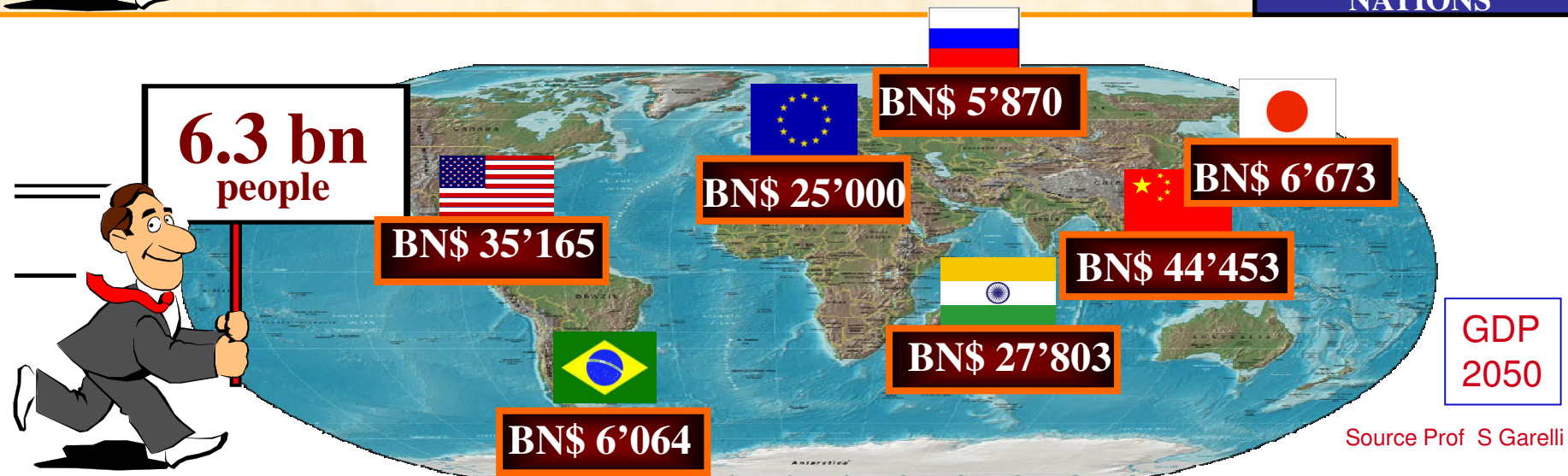


Globalization



A changing World....

Aderra



Source Prof S Garelli

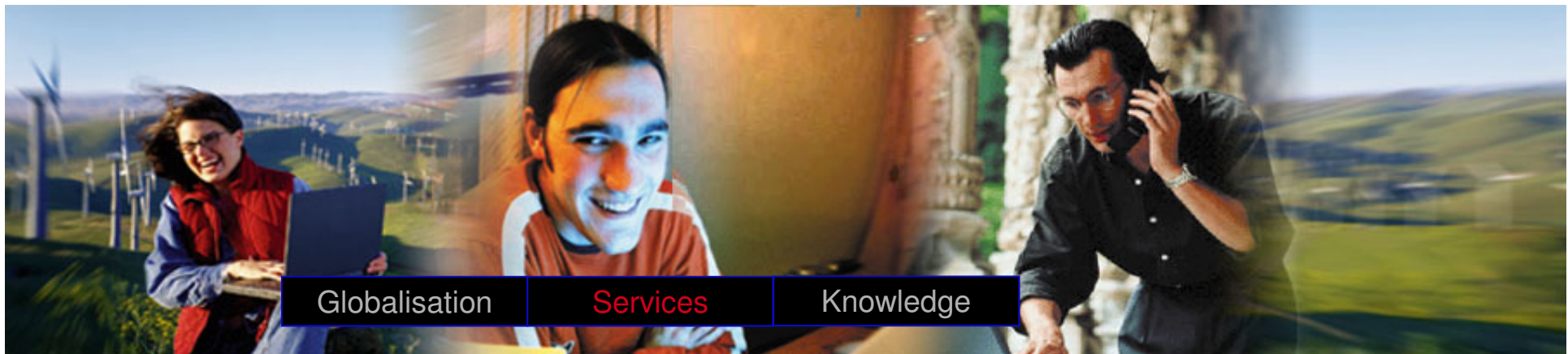




External Environment

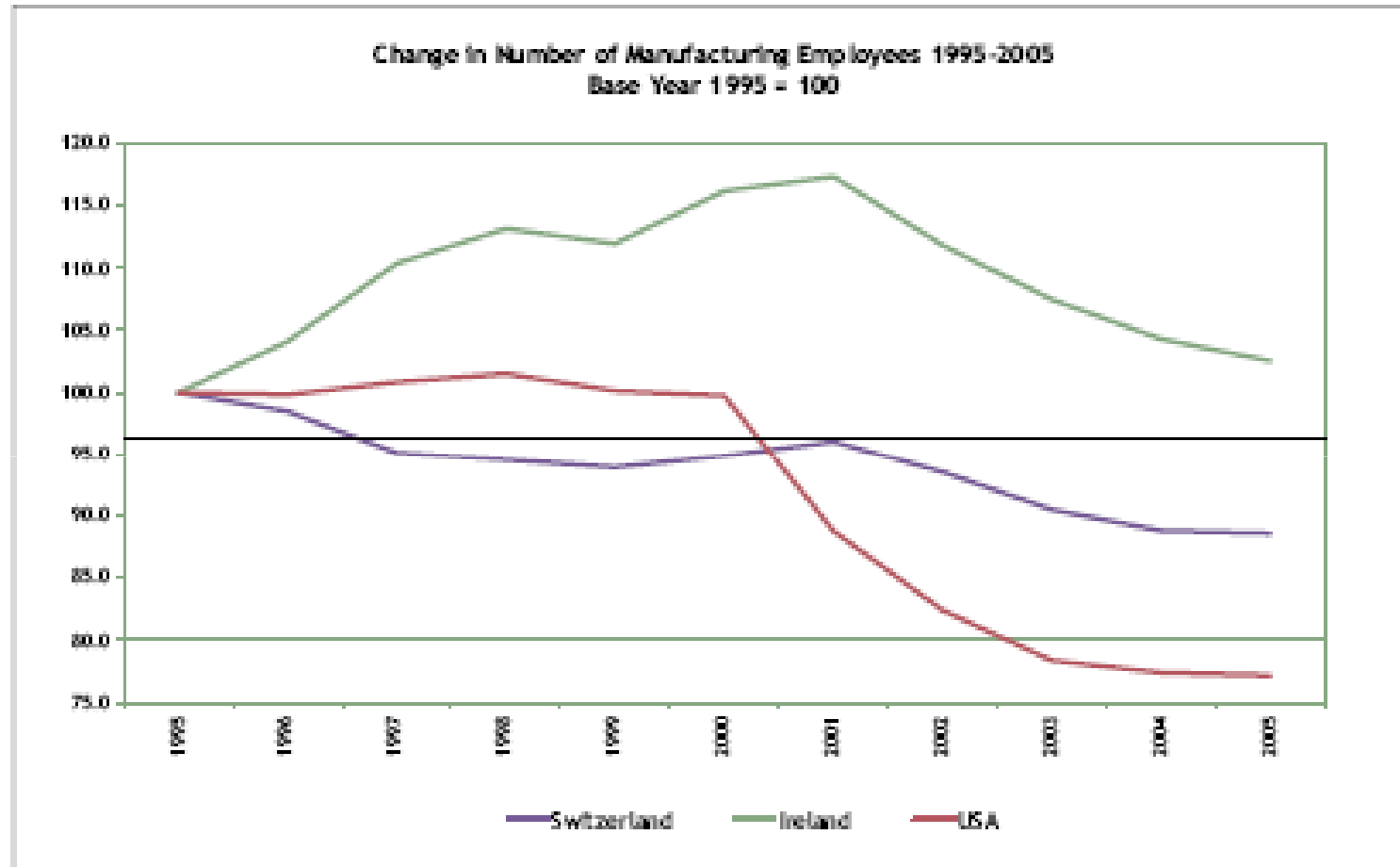
Change

- The pace and intensity of Globalisation
- The shift to Services as the engine of growth in developed economies
- The Role of Knowledge in providing differentiation



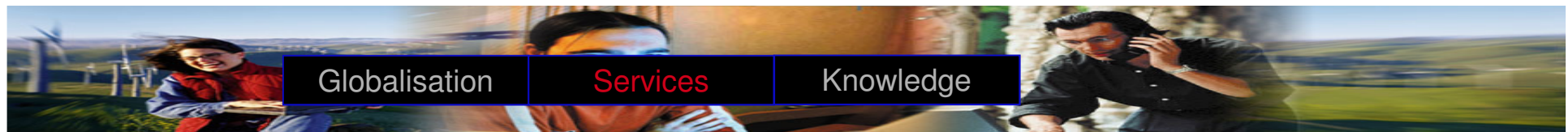
Shift to Services - Decline in Manufacturing Employment

Figure 2.1 % Change in Number of Manufacturing Employees 1995-2005*



Source: OECD Main Economic Indicators 1999-2006.

*Note 2005 figure is based on average of Quarters 1-3 2005

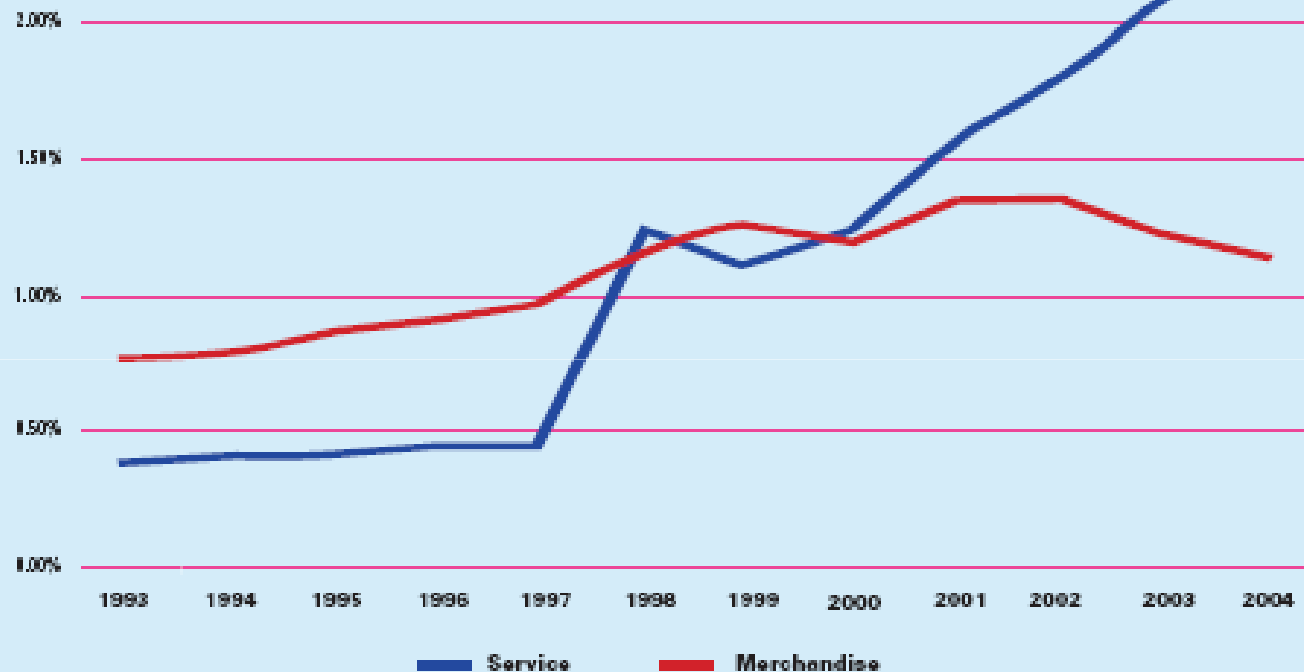


Growth of Internationally Traded Services

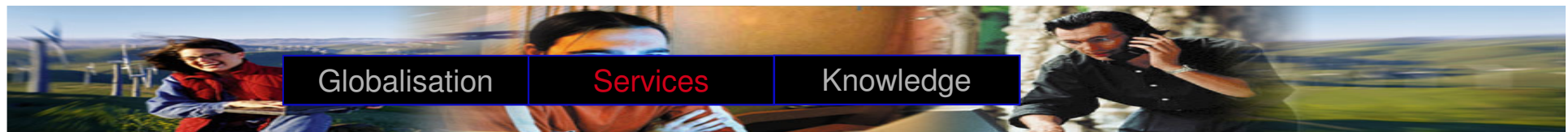
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Figure 1.6 Ireland's Share of World Merchandise and Services Trade, 1993-2004



Source: CSO/World Trade Organisation

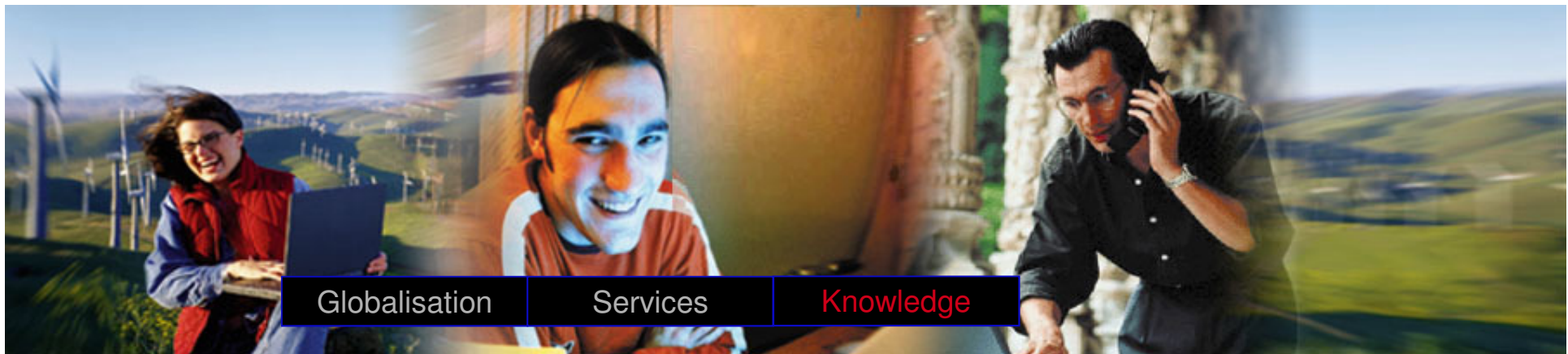




External Environment

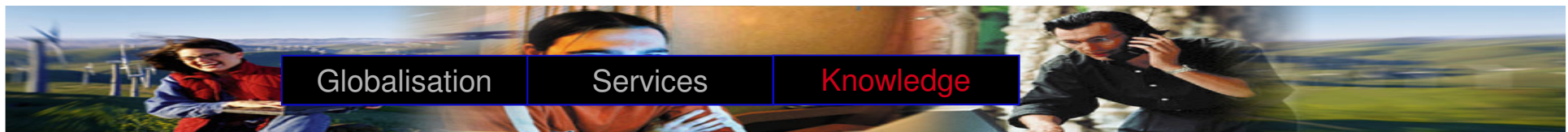
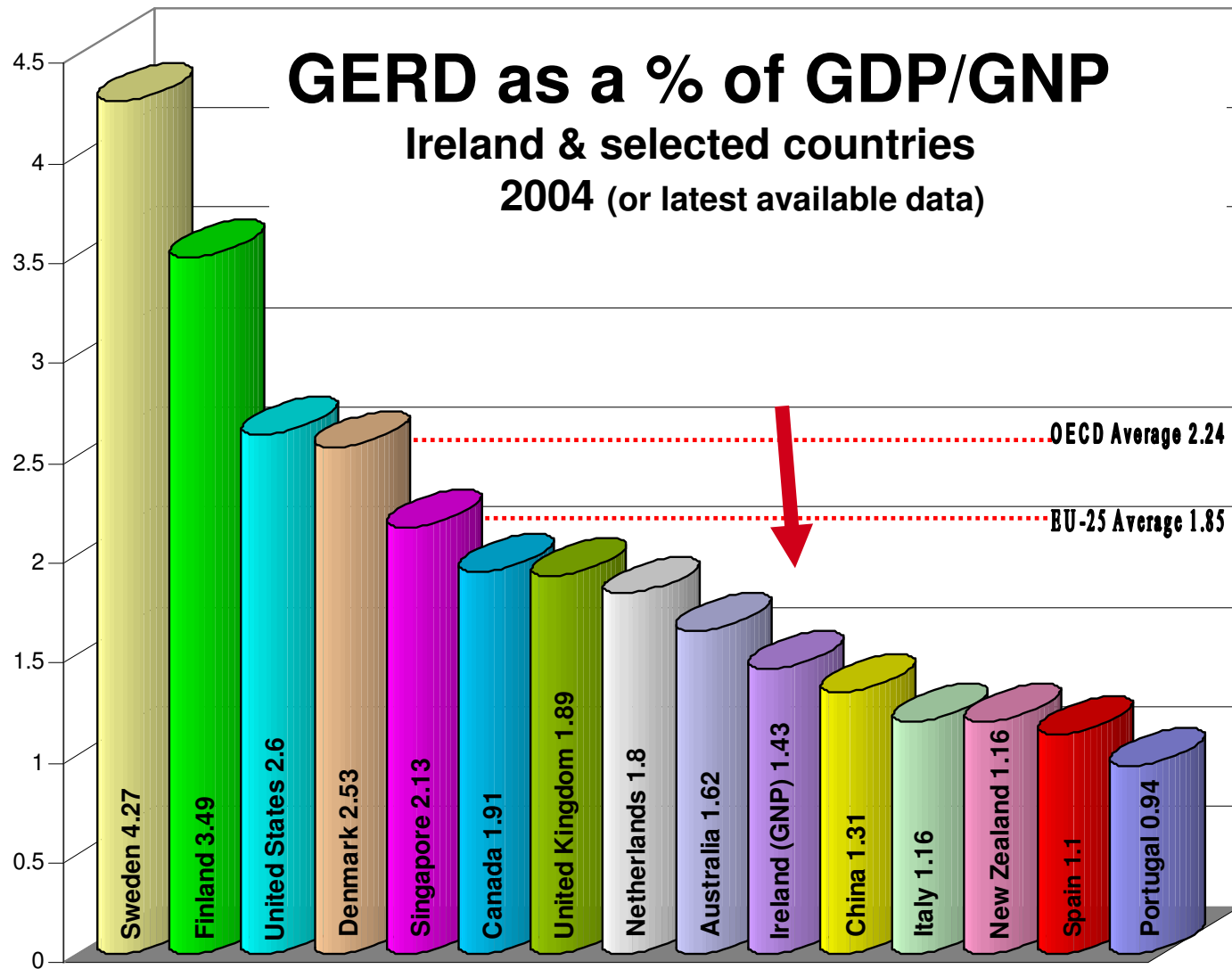
Change

- The pace and intensity of Globalisation
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Investment in Knowledge

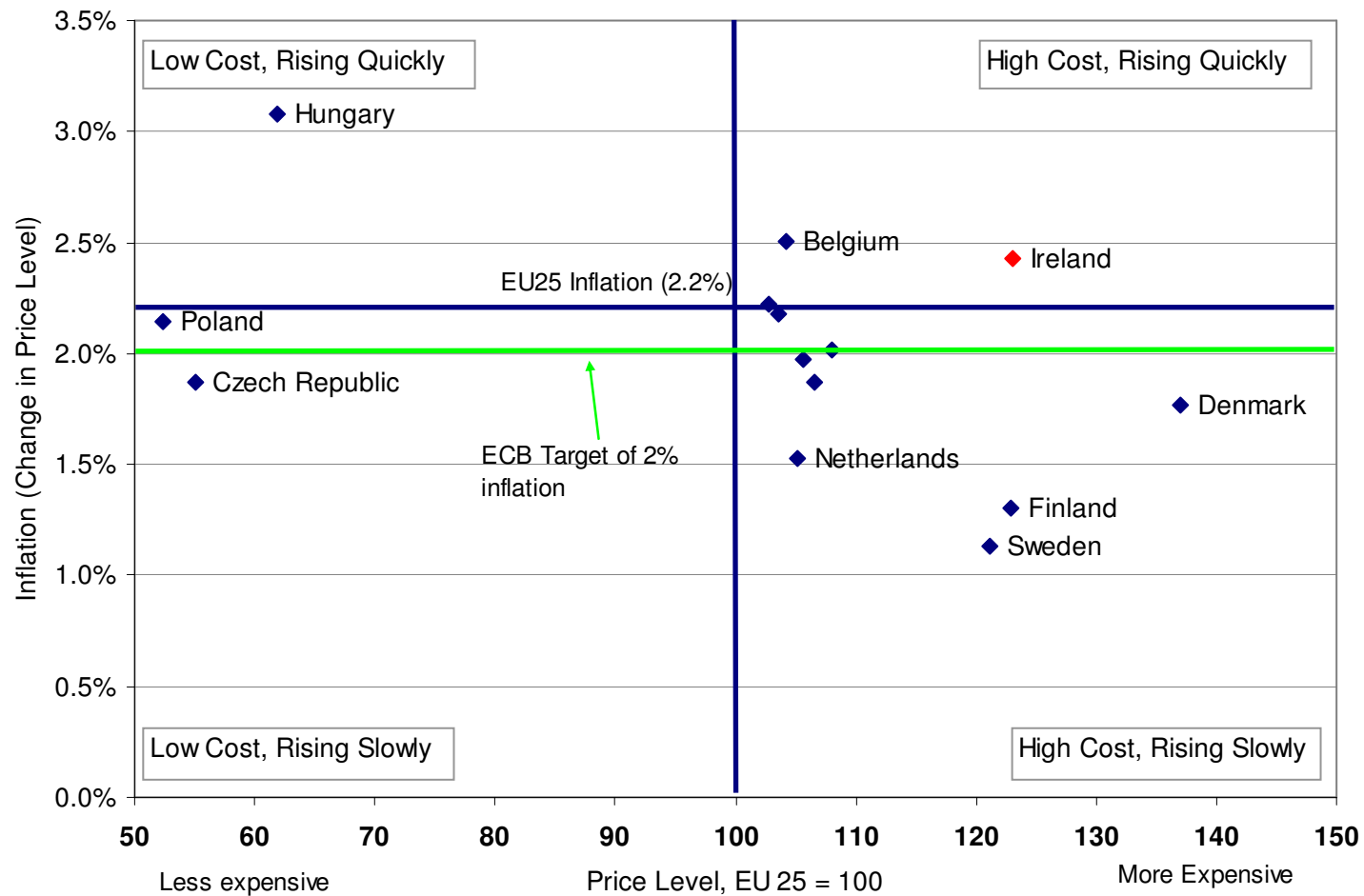
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Competitiveness

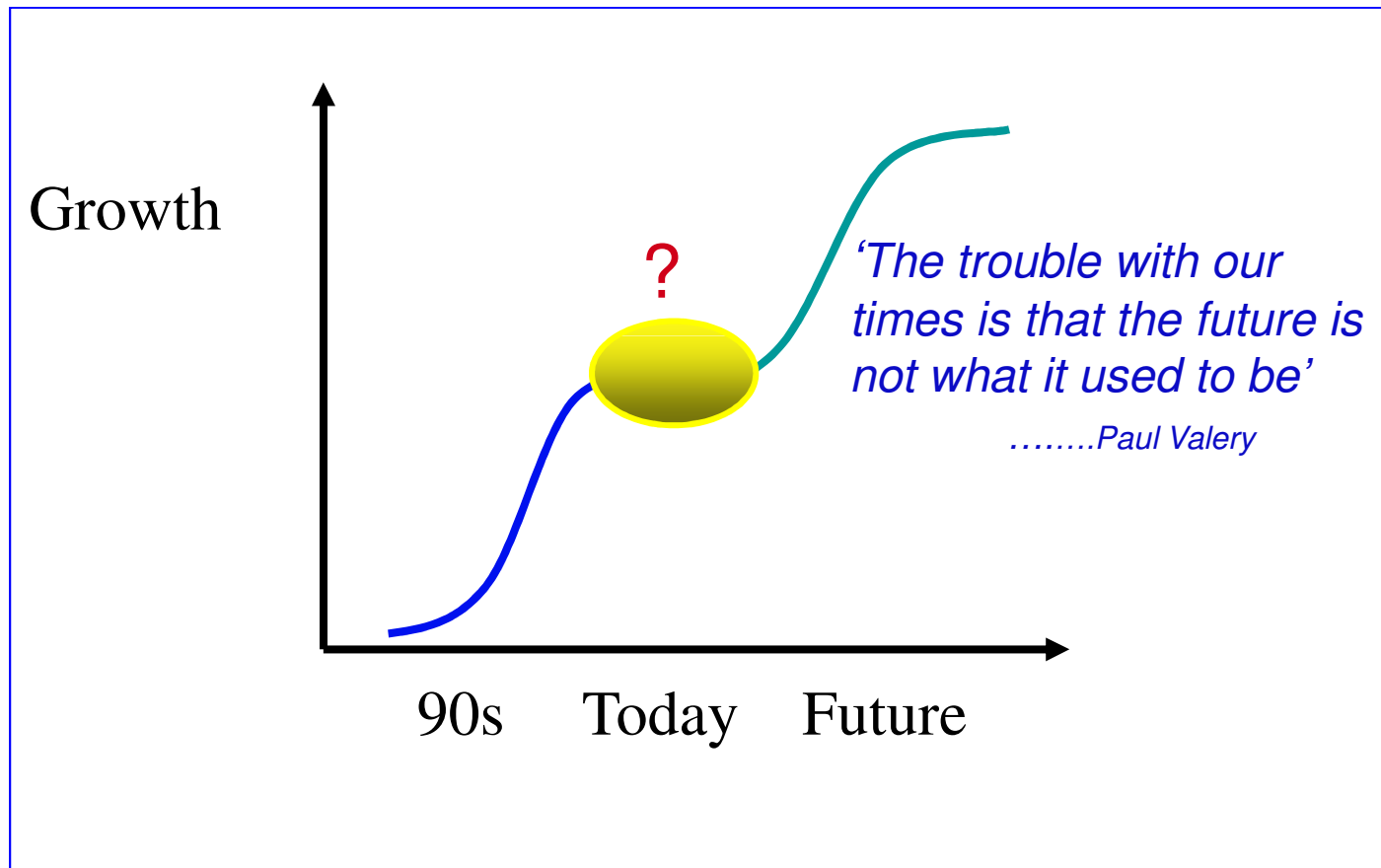
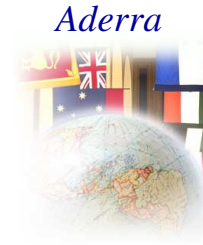
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Price Level 2004, and Inflation (2004 to 2006 average), EU Member States



The Future

.....Getting on a new growth curve



Globalisation

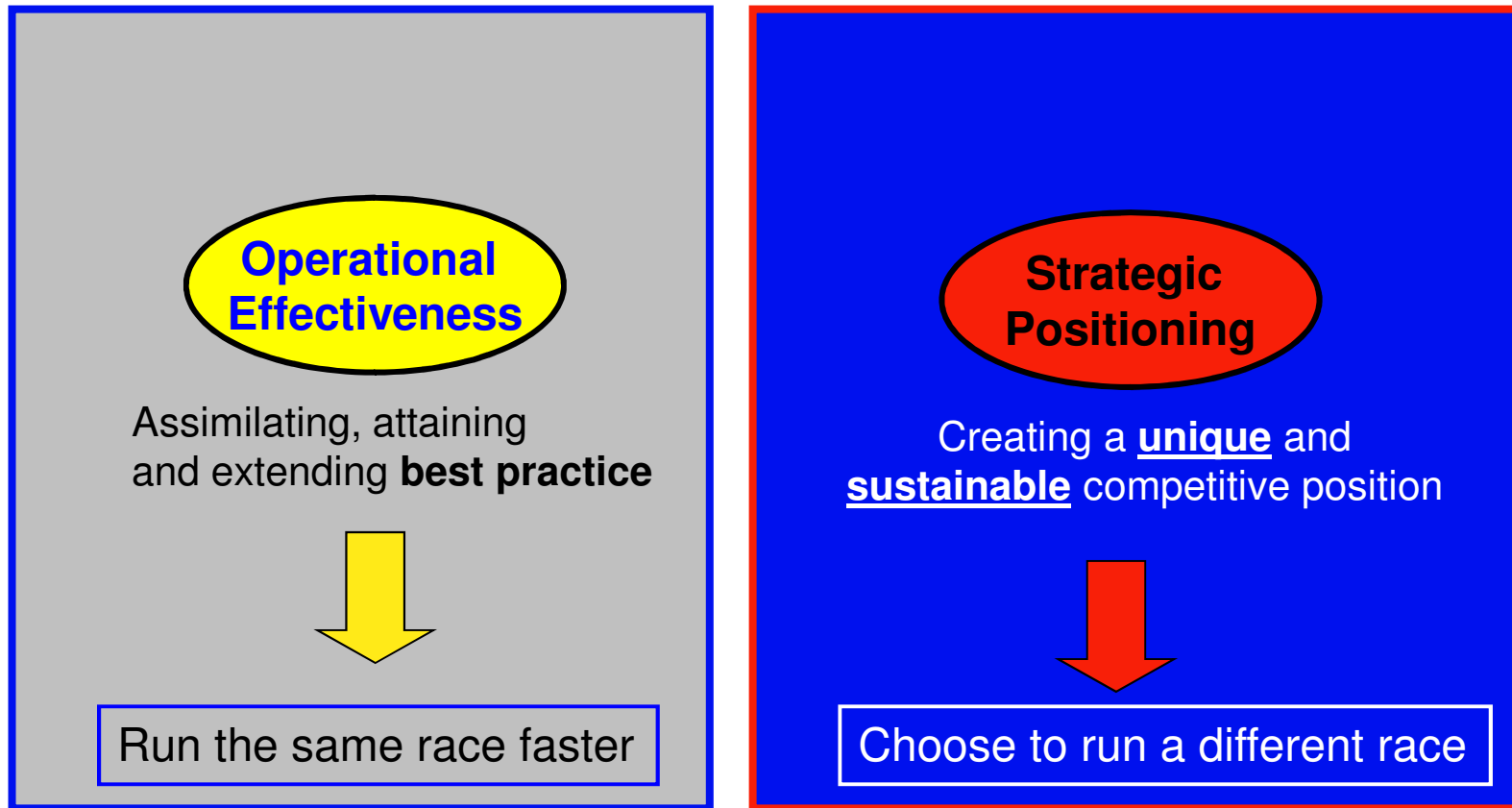
Services

Knowledge

Cost

Operational Effectiveness & Strategic Positioning

Aderra



Determinants of Relative Performance...Porter



Staying Ahead of the Curve

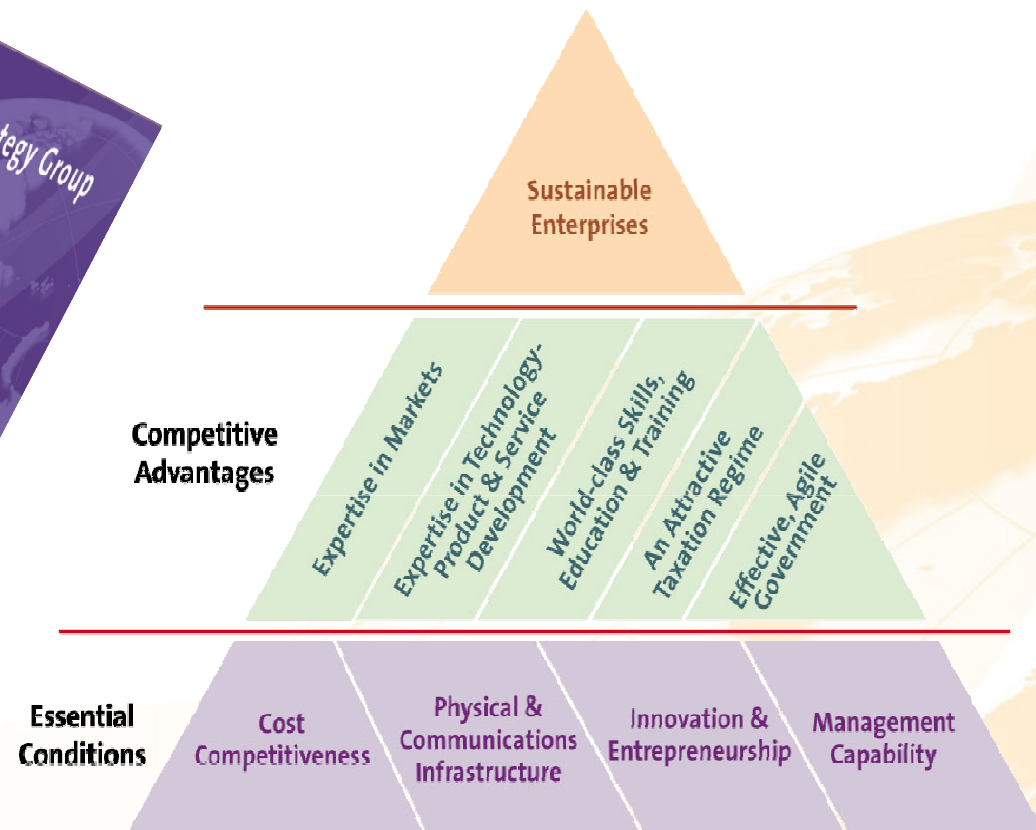
Enterprise Strategy Group

Ahead of the Curve

Ireland's Place in the Global Economy

"Knowledge creation and diffusion are at the core of economic activity. Knowledge is embodied in people, and it is the quality of the human resource that will determine the success or otherwise of firms and economies in the years ahead. It is people who create knowledge, and it is people who disseminate, adapt and use data, insights, intuition and experience to create distinctive value"(ESG 2004)

Enterprise Strategy Group

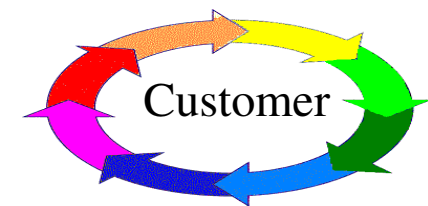


Creating a Unique & Sustainable Competitive Position

Knowing & understanding the market/customer needs

Using know-how/knowledge/expertise/skill to satisfy those needs in a superior differentiated way thereby providing value.

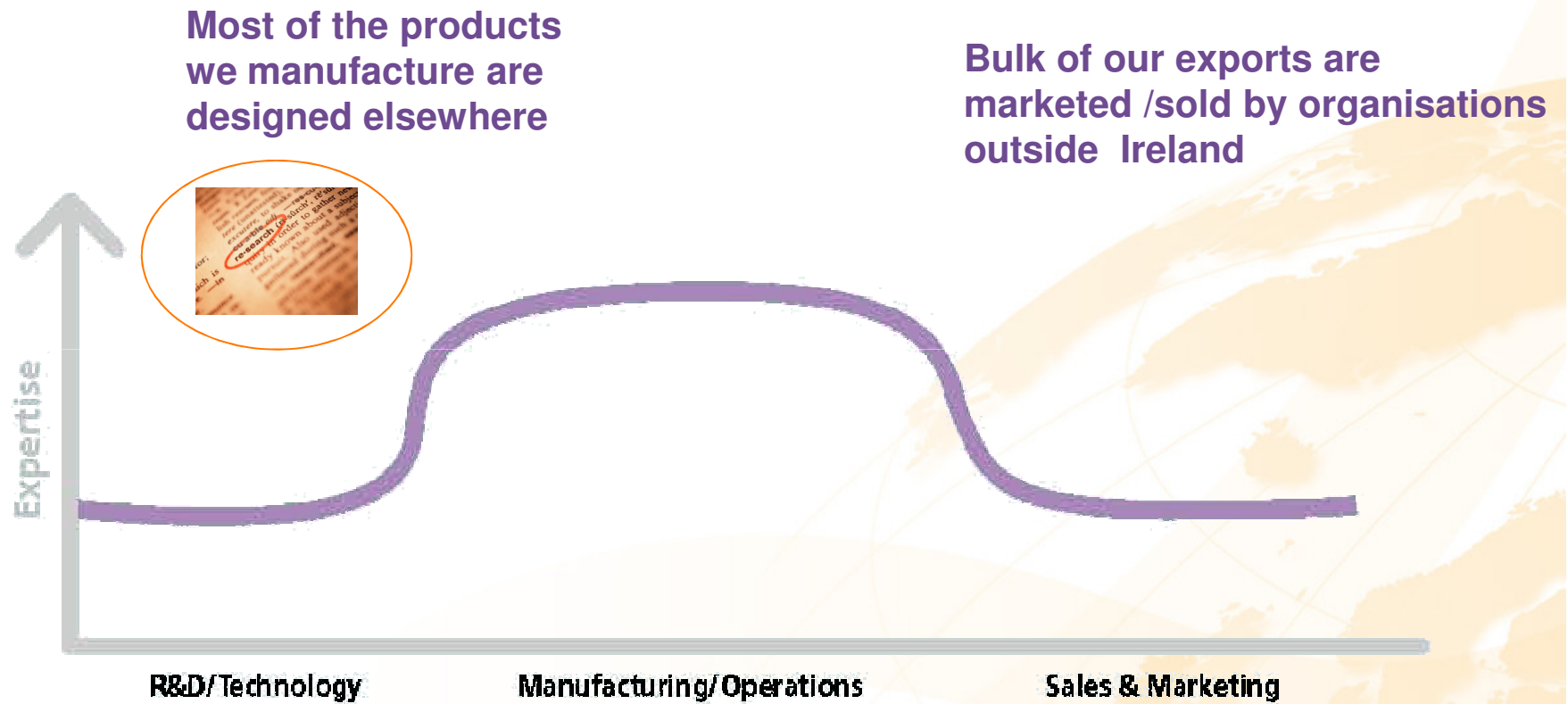
So that you extract a higher value/premium for the product or service that you provide



*'Marketing and Technology is all that matters for a company. **The rest is cost**' ...Drucker*



Dominant Profile of MNC Enterprise in Ireland



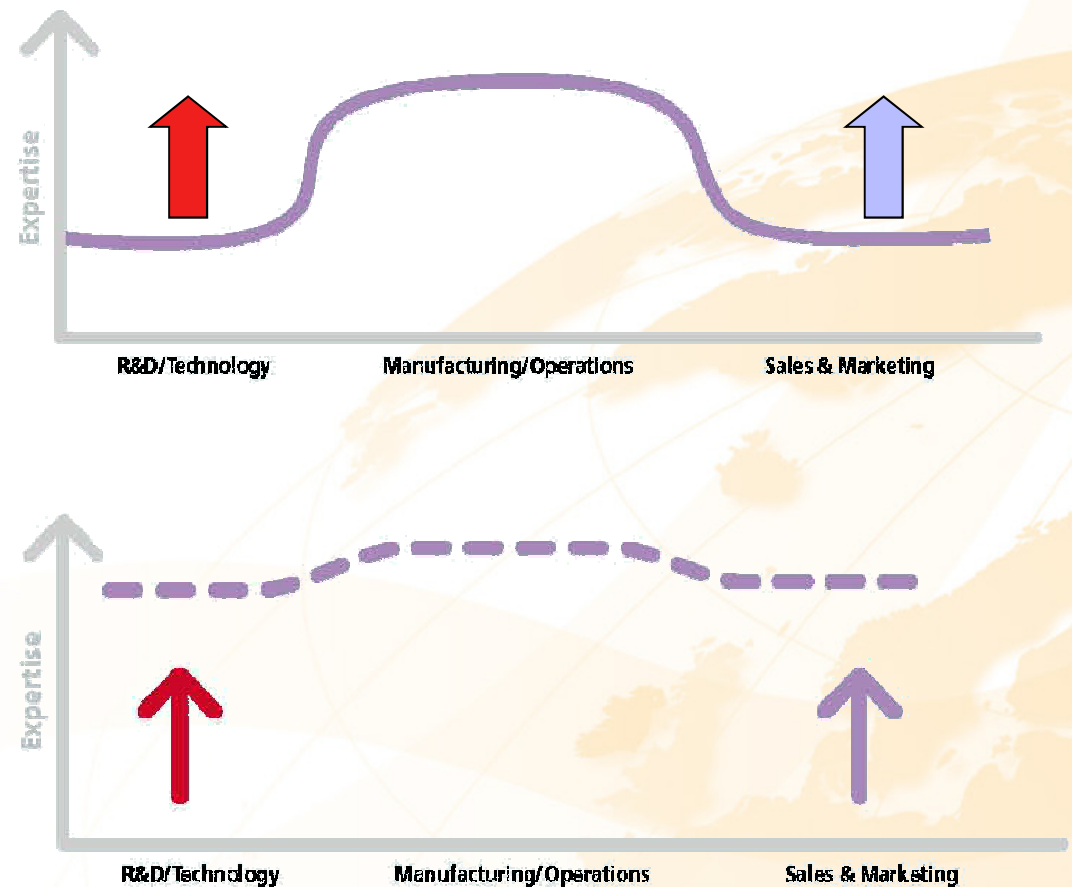
Building Capability to Realise Opportunities

- Changing the Capability Profile of Enterprise in Ireland

Need to Build World Class Expertise

- International Sales & Marketing
- Operations
- R&D/Technology

Focus on Sectors & Niches

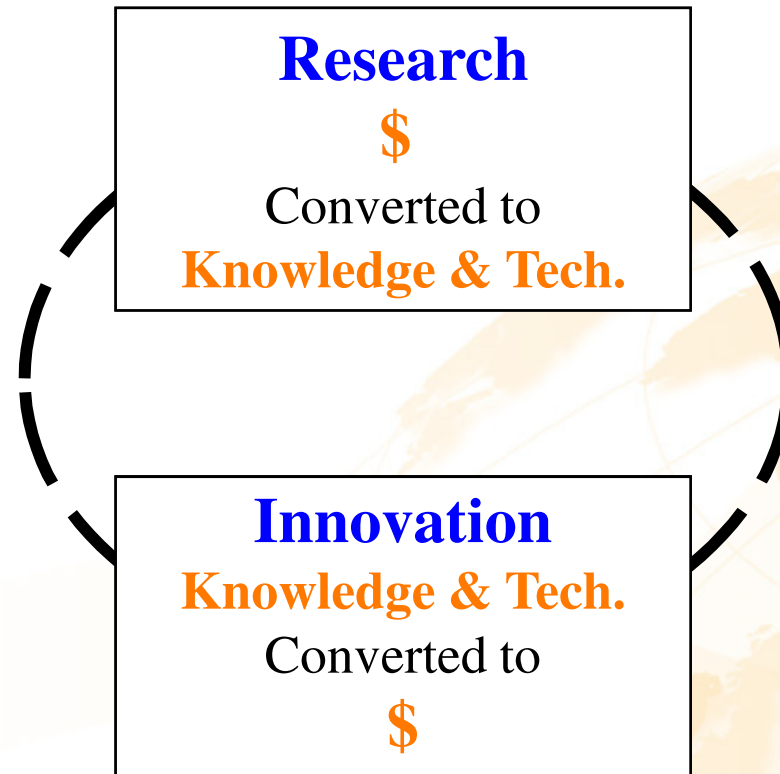




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Competing on Knowledge



Enterprise Strategy Group



Implementation

Aderra



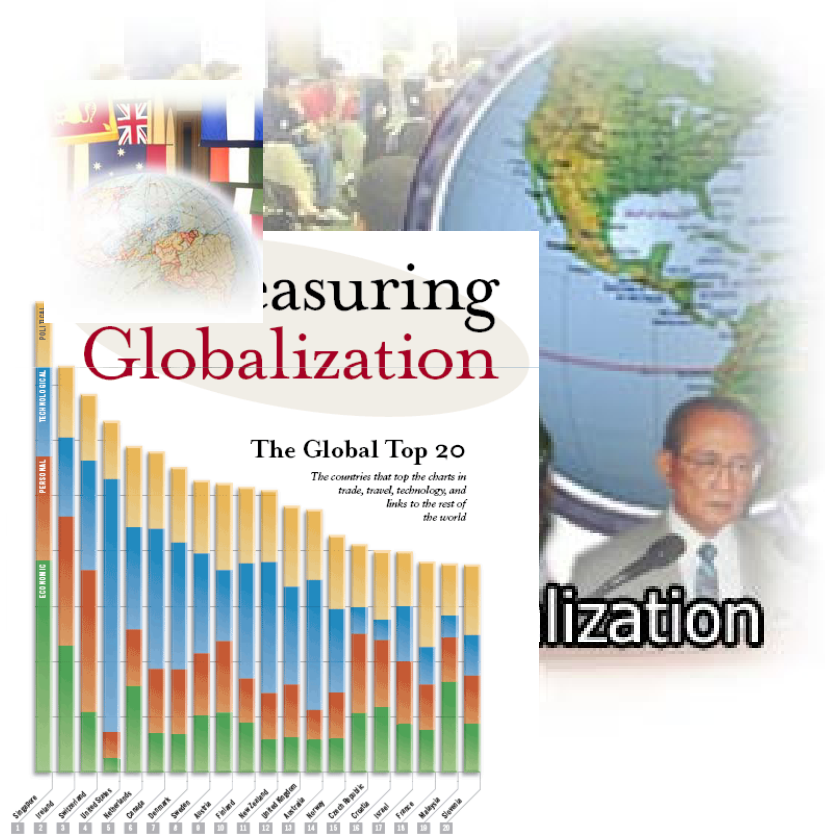
Business must respond to the new environment by:-

- Increasing investment in Innovation to develop higher value products and services.
- Improving its international sales and marketing capabilities to grow exports
- Investing in ICT to improve efficiency and reduce costs
- Up-skilling its workforce
- Raising management capabilities



Staying Ahead of the Curve

Winning in a Globalised Environment Agility.



“It is not the strongest of the species that survives, nor the most intelligent but the one most responsive to change”

.....Darwin

