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Forfás Annual Employment Survey 2000

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## **Recent Job Losses in the IT Sector follow record year of job gains in manufacturing and internationally traded services in 2000 – Forfás Survey**

### Highlights

- Full-time employment in manufacturing, internationally traded and financial services and other activities supported by the development agencies grew by over 22,900 (7.8%) to a total of almost 316,000 in 2000.
- New jobs created in those sectors were over 44,000 an increase of over 21% on the level achieved in 1999.
- 2000 was the ninth consecutive year of employment increases.
- Employment grew by 11% in foreign-owned companies and by 4.6% in Irish-owned companies.
- Job losses were over 21,000, a marginal decline (1.9%) on the level of job losses in 1999. Losses in foreign-owned firms declined by over 11% in 1999 (to over 9,600) while losses in Irish-owned firms increased by 7.5% to over 11,500.

These are some of the findings in the Forfás Annual Employment Survey 2000, which was published today (Wednesday, 26 September 2001).

Commenting on the Survey's findings, Mr John Travers, Chief Executive Officer, Forfás, said the results demonstrated the continuing high growth rate, which was achieved in the economy in 2000. While economic growth is slowing sharply in 2001 accompanied by a loss of jobs in the high tech and other sectors, the employment data point to underlying strengths in the enterprise sector in Ireland overall.

The record levels of employment growth achieved in recent years were underpinned by the fundamental competitiveness of the Irish economy created through good policy decisions made by successive Governments over a number of years stretching back over two decades and more and encompassing the social partnership agreements starting in 1987. There is strong evidence, however, that even before the current downturn in the economy, Ireland's competitiveness had started to slip in a number of important areas involving levels of wage increases well above productivity increases in many sectors, and higher costs imposed by infrastructural deficiencies and low levels of competition in important areas of utility provision. At a time of major transformation in business prospects, it is essential that these trends are reversed if the level of job losses under way and in prospect are to be minimised.

## Other findings of the 2000 Employment Survey

- The sectors showing most growth in net permanent full-time employment in 2000 were internationally traded services and international financial services. They accounted for over 11,700 (51.4%) of the total net increase of over 22,900. Manufacturing accounted for almost 11,000 or almost 48% of the total.
- Foreign-owned companies accounted for 16,200 (70.7%) of the net employment growth. Irish-owned companies contributed the balance of over 6,700 (29.3%).
- Part-time, temporary and short-term contract employment in IDA Ireland, Enterprise Ireland and Údarás na Gaeltachta client companies grew by 2.5% in Irish-owned firms but declined by 3.9% in foreign-owned firms.
- On a regional basis, each region, with the exception of the Midlands, recorded a positive net change in permanent full-time employment in 2000.
- Firms in the Border, Midlands and West (BMW) region recorded an increase of 3.3% in net permanent full-time employment in 2000. The percentage of new job creation in the BMW region also rose from 18% of the national total in 1999 to 20.8% in 2000.

## Main Results for the ten year period 1991 – 2000

- Overall permanent full-time employment in manufacturing, internationally traded and financial services and other activities increased by almost 100,900 (46.9%) over the ten year period 1991 – 2000.
- Employment in foreign-owned companies grew by almost 66,500, a rise of 68.4% in the ten-year period.
- Employment in Irish-owned companies grew by just over 34,400 jobs, a rise of 29.2% in the ten-year period.

## International Trends in Manufacturing Employment

Over the twelve-year period 1989 – 2000 Ireland was unusual in relation to international trends in manufacturing employment. Ireland increased its employment in this sector significantly, while it was declining in most of the developed countries.

This table shows the percentage change in manufacturing employment in a number of countries in the period 1989 - 2000:

Ireland +26.2%  
 UK -17.8%  
 Germany\* -29.9%  
 USA - 5.1%  
 Japan\*\* - 9.3%

\* 1991-2000  
\*\* 1995-2000

(ENDS).

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