

IRISH ECONOMY EXPENDITURES SURVEY

Results for 1996

PREFACE

The annual survey of Irish economy expenditures measures the impact of manufacturing and internationally traded services activities in the Irish economy. The impact is manifest in four key areas: wage and salary costs, Irish raw material purchases, Irish services usage and profits retained in the economy.

This report presents the main features of the survey of 1996 Irish economy expenditures, which was carried out during the second half of 1997. The report examines the trends in companies sales and their expenditures on wages and salaries, purchases of Irish manufactured raw materials and components, usage of Irish services and profits achieved over the period 1990-1996. The 1996 data is preliminary. Final 1996 results and preliminary 1997 data will be available following completion of the 1997 survey.

The returns have been analysed on the basis of an Irish-Foreign split over three main business activities - manufacturing, food processing and related activities and internationally traded services.

The report focuses on key areas of importance. A separate supporting document which provides more comprehensive data in tabular form, including an agency split, is available from Enterprise Policy and Planning Division, Forfás.

IRISH ECONOMY EXPENDITURES SURVEY

Results for 1996

EXECUTIVE SUMMARY

- The estimated Irish economy expenditures (IEEs) of all manufacturing and internationally traded services industry (including estimates for companies employing less than 20) show an increase of £3,348m (+17.2%) in real terms between 1995 and 1996 (Table 1). The increase recorded in 1995 was 12.5%.
- The estimated Irish economy expenditures (IEEs) of all manufacturing industry (including estimates for companies employing less than 20) show an increase of £2,117m (+12.4%) in real terms between 1995 and 1996 (Table 2). The increase recorded in 1995 was 8.8%.
- The survey shows that the manufacturing industry base surveyed (companies employing more than 19) increased sales by £10,240m (+53.7%) and Irish economy expenditures by £4,655m (+45.7%), in real terms over the period since 1990 (Charts 1 & 2).
- The Irish economy expenditures of Irish-owned¹ manufacturing companies increased by £2,271m (38.6%) in real terms, an average of 5.6% p.a. over the period 1990-1996, and by £1,103m (15.6%) in 1996. Over the same period, sales increased by £2,569m (33.4%), an annual average of 4.9% in real terms to £10,261m in 1996 (Charts 3 & 4).
- The Irish economy expenditures of food, drink & tobacco companies (Irish and foreign-owned) rose by £1,820m or 33.8% in real terms (5% p.a. on average) over the period 1990-1996. Sales rose by £2,127m or 28.1% in real terms (4.2% p.a. on average) over this period. IEEs as a % of sales have increased from 71% in 1990 to 74.2% in 1996. This is due to a higher spend on Irish raw materials and usage of Irish services which in 1996 grew by 19.3% and 13.6% respectively. In 1996, IEEs increased by £1,033m (16.7%), the highest year on year growth recorded over the period. Sales also increased substantially in 1996, rising by £1,231m (14.5%). (Charts 5 & 6)
- The Irish economy expenditures of all foreign-owned manufacturing companies increased by £2,384m or 55.3% (an annual average of 7.6% p.a. in real terms) over the period 1990-1996 and by £581m (9.5%) between 1995 and 1996 (Chart 7 & 8). Sales increased by £7,671m (67.5%) over the period 1990-1996, an annual average rate of 9% in real terms.
- Excluding the food, drink and tobacco sector, the Irish economy expenditures of foreign-owned manufacturing companies increased by £2,265m or 78.7% between 1990 and 1996 (an annual average increase of 10.2% in real terms). In 1996, IEEs increased by £546m (11.9%) (Charts 9 & 10). Expenditures on Irish raw materials rose by 138% and Irish services by 74% in the period 1990-1996. Sales rose by £7,254m or 86% between 1990 and 1996 (an annual average increase of 10.9%) in real terms.
- The profitability of Irish-owned manufacturing companies (including food, drink & tobacco) increased from 3.6% of sales in 1990 to 6.2% in 1995. Preliminary data for 1996 shows a reduction to 5.1% (Table 3).
- The profitability of Irish-owned manufacturing companies (excluding food, drink & tobacco) remained constant over the period 1990-1993 at around 5.5% of sales. A significant improvement occurred in 1994 with profit as a % of sales rising to 7.1%. Final results for 1995 show profit as a % of sales rising to 9.1%, compared with preliminary results of 8.9%. Preliminary data for 1996 indicates a decline from 9.1% in 1995 to 7.5% in 1996. However, the underlying trend is still strong and a preliminary figure of 7.5% for 1996 demonstrates a considerable improvement in the profitability of Irish-owned companies over the 1990-1996 period as a whole (Table 3).

¹ For ease of reference, the notation Irish and foreign-owned will refer respectively to Irish-owned and foreign-owned industry.

IRISH ECONOMY EXPENDITURES SURVEY

Results for 1996

- Irish-owned manufacturing companies exported 48% of their total exports to the United Kingdom in 1996, up slightly on the 47% recorded for 1995. Exports to the UK represented 21.2% of the total sales of these companies in 1996 which is slightly lower than the figure of 21.6% recorded in 1995, but significantly higher than the 16.3% recorded in 1992. All sectors with the exception of Textiles, which showed a decline, increased their relative dependency on the UK as an export market over the period 1992/1996 (Tables 5a & 5b).

IRISH ECONOMY EXPENDITURES SURVEY
Results for 1996

**ESTIMATED IRISH ECONOMY EXPENDITURES OF ALL² MANUFACTURING AND
INTERNATIONALLY TRADED SERVICES INDUSTRY 1995-1996**
(Including estimates for companies employing less than 20)

Constant 1996 Prices - £million

TABLE 1							
	Irish Owned		Foreign Owned		Total	1996 ³	% Change 95/96
	1995	1996	1995	1996			
Sales	13,802	15,621	21,930	25,678	35,732	41,299	15.6
IEEs	10,845	12,381	8,622	10,434	19,467	22,815	17.2
-Wage & Salaries	2,071	2,274	2,279	2,493	4,350	4,767	9.6
-Irish Raw Materials	6,199	7,311	2,591	2,935	8,790	10,246	16.6
-Irish Services	1,725	1,997	3,385	4,540	5,110	6,537	27.9
-Profits*	850	799	367	466	1,217	1,265	3.9
IEEs as % of Sales	78.6	79.3	39.3	40.6	54.5	55.2	1.3

* All Irish industry profits and corporation tax paid by overseas firms

² Includes estimates for Shannon Development and Údarás na Gaeltachta.

³ For the purposes of this report, 1996 data is considered as preliminary. Final results and preliminary 1997 data will be available following completion of the 1997 survey.

IRISH ECONOMY EXPENDITURES SURVEY

Results for 1996

KEY POINTS:

- The estimated expenditures of manufacturing and internationally traded services industry in 1996 at £22,815m is an estimated increase of £3,348m (+17.2%) in real terms on the 1995 outturn of £19,467m.
- Total sales increased by £5,567m (+15.6%) in 1996.
- Overall Irish economy expenditures grew by 17.2% compared to a rise in sales of 15.6%. Preliminary data for 1996 shows IEEs as a % of sales rising marginally from 54.5% in 1995 to 55.2% in 1996 (+1.3%). This is due to above average growth in the purchases of Irish raw materials and to a greater extent in the usage of Irish services (+27.9%), compared to the rise in sales.
- Wage and salary and related expenditures increased by an estimated £417m (+9.6%) in 1996.
- In 1996, Irish-owned companies accounted for 37.8% of sales but contributed 54.3% of Irish economy expenditures. A significant factor in this is the higher IEEs of the Food industry which makes up a much higher proportion of the output of Irish-owned industry compared with foreign industry.

IRISH ECONOMY EXPENDITURES SURVEY
Results for 1996

**ESTIMATED IRISH ECONOMY EXPENDITURES OF ALL MANUFACTURING⁴ INDUSTRY
1995-1996 (including estimates for companies employing less than 20)**

Constant 1995 Prices - £million

TABLE 2							
	Irish Owned		Foreign Owned		Total		%
	1995	1996	1995	1996	1995	1996	95/96
Sales	13,380	15,149	18,198	20,255	31,578	35,405	12.1
IEEs	10,528	12,039	6,514	7,120	17,042	19,159	12.4
-Wage & Salaries	1,944	2,110	2,003	2,138	3,947	4,248	7.6
-Irish Raw Materials	6,128	7,267	2,059	2,266	8,187	9,533	16.4
-Irish Services	1,623	1,894	2,143	2,318	3,766	4,212	11.8
-Profits*	833	768	309	398	1,142	1,166	2.1
IEEs as % of Sales	78.7	79.5	35.8	35.2	54.0	54.1	0.2

* All Irish industry profits and corporation tax paid by foreign-owned companies

⁴ Includes estimates for Shannon Development and Údarás na Gaeltachta.

IRISH ECONOMY EXPENDITURES SURVEY

Results for 1996

KEY POINTS:

- The estimated Irish economy expenditures of manufacturing industry in 1996 at £19,159m represents an estimated increase of £2,117m (+12.4%) on 1995.
- Irish economy expenditures as a % of sales increased marginally from 54.0% in 1995 to 54.1% in 1996. The increase occurred in Irish-owned industry (+1.0%) while foreign-owned industry showed a decline of -1.7%.
- Profits showed a decline in Irish-owned industry of 7.8% while a growth in foreign-owned profits of 28.8% reflects increases in corporation tax payments. However, it should be noted that profits in Irish-owned industry increased by 19.5% in 1995. Profit levels in Irish-owned manufacturing companies (employing more than 19) have risen by 85.7% in the period 1990-1996.
- Wage and salary and related expenditures increased by 7.6% overall and by 8.5% and 6.7% in Irish and foreign-owned companies respectively.
- Purchases of Irish raw materials and usage of Irish services grew by 16.4% and 11.8% respectively in 1996. However, Irish-owned companies increased their expenditure on Irish raw materials by 18.6% while foreign-owned companies increased their spend by 10.1%. Again, Irish-owned companies recorded a higher increase in spending on Irish services (+16.7%) as against an increase of 8.2% for foreign-owned companies.
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IRISH ECONOMY EXPENDITURES SURVEY

Results for 1996

3. MANUFACTURING INDUSTRY TRENDS 1990-1996 (Survey Base - companies employing greater than 19)

Constant 1996 Prices - £million

CHART 1



Constant 1996 Prices - £million

CHART 2



IRISH ECONOMY EXPENDITURES SURVEY

Results for 1996

TRENDS AND COMMENTARY

- **Sales**
Growth in sales over the period 1990-1996 amounted to £10,240m (53.7%), an annual average rate of 7.4% in real terms. In 1996 sales increased by £3,261m (12.5%) to £29,299m.
- **Irish Economy Expenditures**
Growth in IEEs over the period 1990-1996 amounted to £4,655m (45.7%), an average real increase of 6.5% p.a. IEEs grew by £1,684m (12.8%) in 1996.

IEEs as a % of sales has fallen from 53.5% to 50.7% over the period 1990-1996. This means that the domestic impact of every £1 of sales has reduced over the period. Slower than average growth in labour costs is a contributory factor. Usage of Irish services (+40.3%) was also below the growth in sales (+53.7%).

The growth in purchases of Irish raw materials (+54.5%) however exceeded the growth in sales (+53.7%).

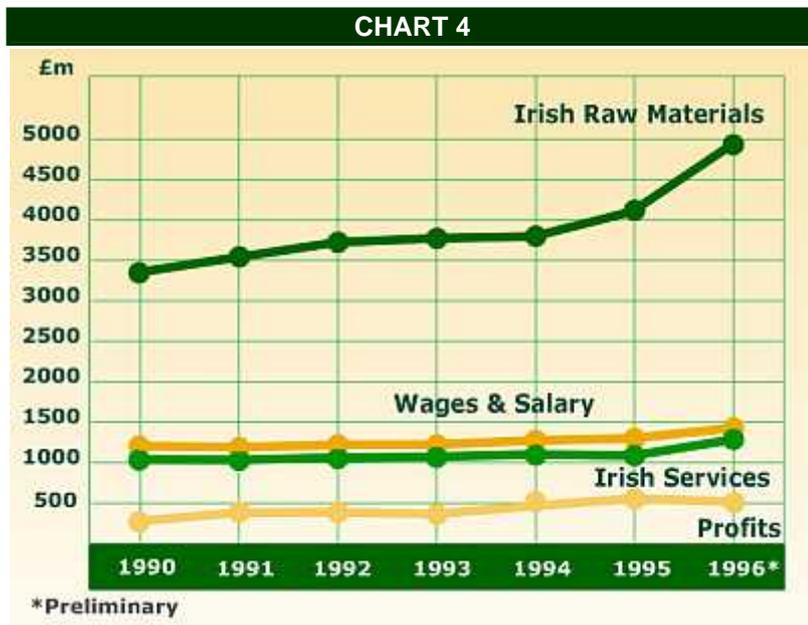
COMPONENTS OF IRISH ECONOMY EXPENDITURE

- **Wage & Salary Expenditures**
Wage and salary expenditures grew by £677m (24.5%) over the period. The increase per employee was 10.4%, an average real increase of 1.7% p.a. The slower rate of growth of wage and salary expenditures compared to the growth in sales (53.7%) over the period indicates a continuing improvement in productivity.
- **Irish Raw Materials**
Expenditures on Irish raw materials grew by £2,489m (54.5%) over the period, an annual average of 7.5% in real terms. Significantly, expenditure in this area grew by 16.8% (£1,016m) in 1996, the highest year on year growth recorded over the period.
- **Irish Services**
Purchases of Irish services increased substantially over the period 1990-1996, rising by 40.3% (£994m), an average annual increase of 5.8% in real terms. Expenditure increased by 11.7% in 1996.

IRISH ECONOMY EXPENDITURES SURVEY
Results for 1996

4. IRISH-OWNED MANUFACTURING INDUSTRY 1990-1996
(Survey base - companies employing greater than 19)

Constant 1995 Prices - £million



IRISH ECONOMY EXPENDITURES SURVEY

Results for 1996

TRENDS AND COMMENTARY

- **SALES**

Growth in sales over the period 1990-1996 amounted to £2,569m (33.4%), an annual average rate of 4.9% in real terms. In 1996, sales increased by £1,298m (14.5%) to £10,261m.

- **IRISH ECONOMY EXPENDITURES**

Growth in IEEs amounted to £2,271m (38.6%) over the period 1990-1996, an annual average rate of 5.6% in real terms. In 1996, IEEs increased by £1,103m (15.6%).

IEEs as a % of sales in Irish-owned manufacturing companies rose from 76.5% in 1990 to 79.5% in 1996, which means the domestic impact of every £1 of sales increased over the period. This is due to above average growth in expenditure on Irish raw materials (46.7%) and growth in profits (85.7%), **compared with the growth in sales (33.4%)**.

COMPONENTS OF IRISH ECONOMY EXPENDITURE

- **WAGE AND SALARY EXPENDITURES**

Wage and salary expenditures grew by £223m (18.5%) over the period. The increase per employee was 9.9%, an average real increase of 1.6% p.a. The slower rate of growth of wage and salary expenditures compared to sales (33.4%) reflects a continuing improvement in productivity due in the main to improved operational efficiencies and enhanced technology.

Wage and salary expenditures of Irish-owned manufacturing industry (excluding Food, Drink & Tobacco) increased by 17.9% (£142m). Wage and salary costs attributable to the Irish Food, Drink & Tobacco sector increased by 19.6% (£81m).

- **IRISH RAW MATERIALS**

Expenditures on Irish raw materials grew by £1,566m (46.7%) over the period, an annual average of 6.6% in real terms. The increase of 19.9% (£818m) in 1996 is 11.8 percentage points above the previous high of 8.1% recorded in 1995, and is 13.3 percentage points above the average for the 6 year period.

- **IRISH SERVICES**

Expenditure on Irish services grew by 23.2% (£242m) over the period, an average real increase of 3.5% p.a. in real terms. An increase of £196m (18.0%) was recorded in 1996, which represents 81% of the growth recorded in total over the period 1990-1996.

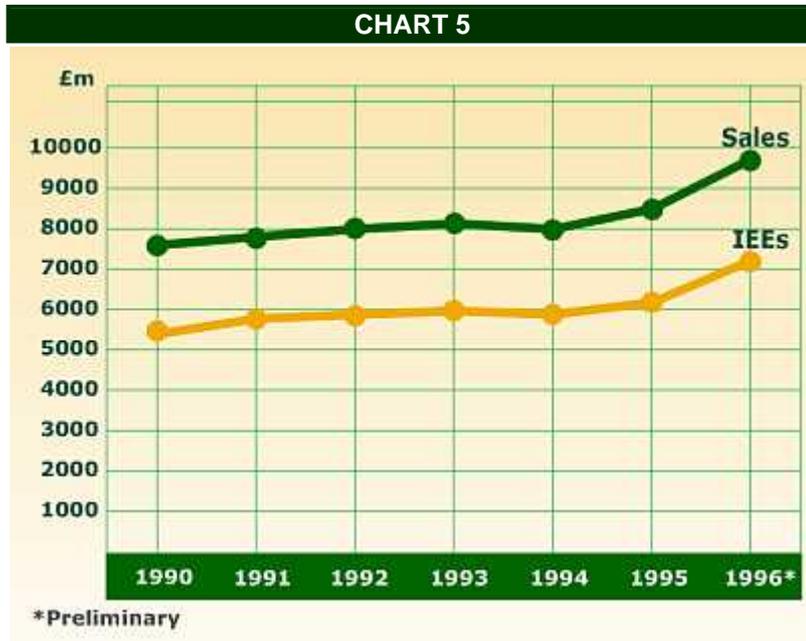
- **PROFITS**

Preliminary results for 1996 show the profit levels of Irish-owned manufacturing dropping by 6.8% (-£38m) but profitability is still 11.6% above the level achieved in 1994. Overall, profit levels have risen strongly by 85.7% over the period 1990-1996, an annual average of 10.9% in real terms.

IRISH ECONOMY EXPENDITURES SURVEY
Results for 1996

5. FOOD, DRINK AND TOBACCO SECTOR 1990-1996
(Irish & foreign-owned companies)

Constant 1996 Prices - £million



IRISH ECONOMY EXPENDITURES SURVEY

Results for 1996

TRENDS AND COMMENTARY

- **SALES**

Growth in sales over the period 1990-1996 amounted to £2,127m (28.1%), an annual average rate of 4.2% in real terms. Sales, having declined marginally in 1994 (-1.7%) rose by 6.3% in 1995 and preliminary data shows a further substantial rise in sales (14.5%/£1,231m) in 1996.

- **IRISH ECONOMY EXPENDITURES**

Irish economy expenditures have increased by £1,820m (33.8%) to £7,201m over the period, an average real increase of 5.0% p.a. In 1996 IEEs increased by £1,033 (16.7%), the highest year on year growth recorded in the period 1990-1996. IEEs as a % of sales have increased from 71% to 74.2% over the same period.

COMPONENTS OF IRISH ECONOMY EXPENDITURE

- **WAGE AND SALARY EXPENDITURES**

Wage and salary expenditures increased by £84m (11.2%) over the period. Wage and salary expenditures per employee increased by 8%, an average real increase of 1.3% p.a.

- **IRISH RAW MATERIALS**

Expenditures on Irish raw materials grew by £1,431m (41%) over the period, an annual average of 5.9% in real terms. 55.7% of this increase was achieved in 1996 when expenditures grew by £797m (19.3%).

- **IRISH SERVICES**

Irish services grew by £190m (19.3%) over the period, an annual average of 3% in real terms. In 1996 alone, expenditure on purchases of Irish services grew by a significant 13.6% (£141m), which represents 74.2% of the growth achieved for the period 1990-1996 as a whole.

IRISH ECONOMY EXPENDITURES SURVEY
Results for 1996

6. FOREIGN OWNED MANUFACTURING INDUSTRY 1990 - 1996
(Companies employing more than 19)

Constant 1996 Prices - £million



IRISH ECONOMY EXPENDITURES SURVEY

Results for 1996

TRENDS AND COMMENTARY

- **SALES**

Growth in sales over the period 1990-1996 amounted to £7,671 (67.5%), an annual average rate of 9% in real terms. In 1996, sales increased by £1,963m (11.5%) to £19,038m.

- **IRISH ECONOMY EXPENDITURES**

Irish economy expenditures increased by £2,384m (55.3%) to £6,693m over the period 1990-1996, an annual average rate of growth of 7.6% in real terms. In 1996, IEEs increased by £581m (9.5%).

IEEs as a % of sales in foreign-owned manufacturing companies declined from 37.9% in 1990 to 35.2% in 1996. Thus, the domestic impact of every £1 of sales reduced slightly over the period. This is due to lower growth in labour costs (29.2%) and spending on Irish services (52.7%) compared with the growth in sales (67.5%) which occurred over the period 1990-1996.

COMPONENTS OF IRISH ECONOMY EXPENDITURE

- **WAGE AND SALARY EXPENDITURES**

Wage and salary expenditures grew by £454m (29.2%) over the period. The increase per employee was 10.1%, an average real increase of 1.6% p.a.

- **IRISH RAW MATERIALS**

Expenditures on Irish raw materials grew by £923m (76.5%) over the period, an annual average of 9.9% in real terms. In 1996, expenditure grew by £198m (10.2%).

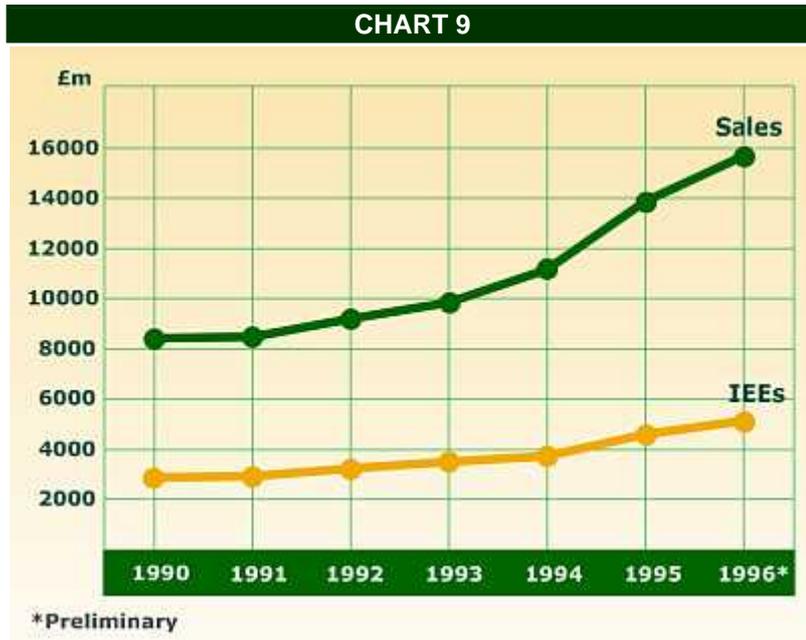
- **IRISH SERVICES**

Irish services grew by £752m (52.7%) over the period, an annual average of 7.3% in real terms. In 1996, foreign-owned manufacturing industry increased purchases of Irish services by £168m (8.4%).

IRISH ECONOMY EXPENDITURES SURVEY
Results for 1996

7. FOREIGN-OWNED GENERAL MANUFACTURING
INDUSTRY (excluding Food, Drink and Tobacco) Companies
employing greater than 19

Constant 1996 Prices - £million



IRISH ECONOMY EXPENDITURES SURVEY

Results for 1996

TRENDS AND COMMENTARY

- **SALES**

Growth in sales over the period 1990-1996 amounted to £7,254m (86%), an annual average rate of 10.9% in real terms. In 1996, sales increased by £1,806m (13%) to £15,693m.

- **IRISH ECONOMY EXPENDITURES**

IEEs grew by £2,265m (78.7%) over the period, an annual average rate of 10.2% in real terms. In 1996, IEEs increased by £546m (11.9%).

Irish economy expenditures increased at a slower rate (78.7%) than sales (86%) over the period 1990-1996. IEEs as a % of sales declined from 34.1% in 1990 to 32.8% in 1996. Thus, the domestic impact of every £1 of sales reduced slightly over the period. This is due to lower growth in labour costs (37%) and spend on Irish services (74%) compared with the growth in sales of 86% which occurred over the period 1990-1996.

COMPONENTS OF IRISH ECONOMY EXPENDITURE

- **WAGE AND SALARY EXPENDITURES**

Wage and salary expenditures grew by £451m (37%) over the period. The increase per employee was 12.7%, an average real increase of 2.0% p.a.

- **IRISH RAW MATERIALS**

Expenditures on Irish raw materials grew by £863m (138%) over the period, an annual average of 15.5% in real terms. Growth in expenditure on Irish raw materials in 1996 amounted to £164m (12.4%).

- **IRISH SERVICES**

Expenditure on Irish services grew by £702m (74%) to £1,651m over the period, an annual average of 9.7% in real terms. In 1996, purchases of Irish services increased by £163m (11%).

IRISH ECONOMY EXPENDITURES SURVEY
Results for 1996

8. ANALYSIS OF THE PROFITABILITY OF IRISH OWNED MANUFACTURING INDUSTRY

**TABLE 3 - Irish Owned Companies - Profit as % of Sales
1990 - 1996**

	1990	1991	1992	1993	1994	1995*	1996*
Total	3.6	4.8	4.7	4.5	5.6	6.2	5.1
Food, Drink & Tobacco	2.5	4.4	4.2	3.9	4.5	4.2	3.6
General Manufacturing	5.3	5.5	5.6	5.5	7.1	9.1	7.5

** Preliminary*

KEY POINTS:

- The profitability of Irish-owned manufacturing companies increased from 3.6% of sales in 1990 to 5.6% in 1994 and rose to 6.2% in 1995. Preliminary 1996 data shows profitability dropping to 5.1% of sales.
- Profitability of Irish-owned general manufacturing remained constant over the period 1990-1993 at around 5.5% of sales. A significant improvement occurred in 1994 when profit as a % of sales rose to 7.1%. Final results for 1995 show profit as a % of sales rising to 9.1%, compared with preliminary results for 1995 of 8.9%. Preliminary data for 1996 indicates a decline from 9.1% in 1995 to 7.5% in 1996. However, the underlying trend is still strong and a figure of 7.5% for 1996 demonstrates a considerable improvement in the profitability of Irish-owned companies over the period as a whole. (Final results for 1996 may show profitability exceeding 7.5% of sales, in line with the experience in 1995).
- 1991/1995 saw profits as a % of sales in Irish-owned Food, Drink and Tobacco companies remaining relatively constant at around 4.2% of sales. Preliminary data for 1996 indicates a decline of 0.6 percentage points to 3.6% of sales.

IRISH ECONOMY EXPENDITURES SURVEY
Results for 1996

9. RAW MATERIAL LINKAGE OF IDA IRELAND COMPANIES

The Linkage Programme commenced operation in 1985 and the table below outlines the trends in raw material linkages over the period 1986-1996.

TABLE 4 - Foreign Non-Food Manufacturing											
Irish Raw Material Purchases Relative to Total Raw Material Purchases 1986 - 1996											
Constant 1996 Prices - £million											
	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996*
Total Purchases	2,178	2,588	3,014	3,310	3,336	3,413	3,819	4,286	5,109	6,709	7,813
Irish Purchases	353	408	486	546	627	657	734	851	997	1,326	1,490
Irish % of Total	16.2	15.8	16.0	16.5	18.8	19.2	19.2	19.9	19.5	19.8	19.1
Electronics Total Purchases	1,215	1,414	1,685	1,786	1,769	1,798	2,174	2,629	3,041	4,430	5,267
Irish Purchases	126	167	204	225	279	330	409	516	585	859	969
Irish % of Total	10.4	11.8	12.1	12.6	15.8	18.4	18.8	19.6	19.2	19.4	18.4

* Preliminary

KEY POINTS:

Foreign - General Manufacturing

- Total raw material purchases in value terms by foreign non-food manufacturing companies rose by £5,635m (258.7%) in real terms over the period 1986/1996. Their purchases of Irish raw materials rose by £1,137m (322%) over the same period.
- Irish raw materials as a % of total raw material purchases increased from 16.2% in 1986 to 19.1% in 1996.

The rise in purchases of Irish raw materials, as a percentage of total purchases, over the period 1986/1991 represented a substantial gain in Ireland's market share of the sub-supply opportunities provided by overseas companies located here.

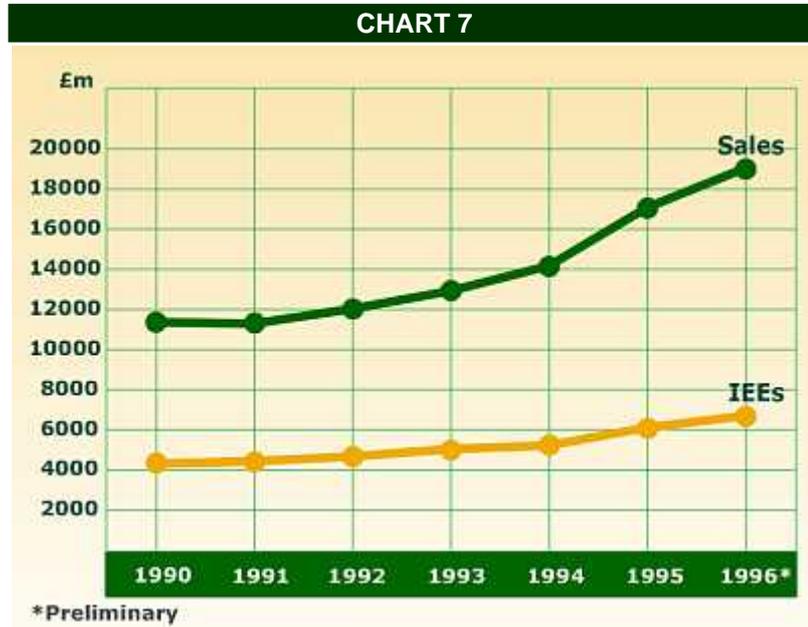
Foreign - Electronics Sector

- Total raw material purchases in value terms by foreign electronic companies located in Ireland rose by £4,052m (333.5%) in real terms over the period 1986/1996. Their purchases of Irish raw materials rose by £843m (669%) over the same period.
- Irish raw materials as a % of total purchases for this sector rose from 10.6% in 1986 to 20.0% in 1993 and has remained relatively constant since then.
- Irish raw materials as a % of total purchases for this sector rose from 10.4% in 1986 to 19.4% in 1995. Preliminary 1996 data indicates a small drop in percentage share to 18.4%.

IRISH ECONOMY EXPENDITURES SURVEY
Results for 1996

6. FOREIGN OWNED MANUFACTURING INDUSTRY
1990 - 1996(Companies employing more than 19)

Constant 1996 Prices - £million



IRISH ECONOMY EXPENDITURES SURVEY

Results for 1996

TRENDS AND COMMENTARY

- **SALES**

Growth in sales over the period 1990-1996 amounted to £7,671 (67.5%), an annual average rate of 9% in real terms. In 1996, sales increased by £1,963m (11.5%) to £19,038m.

- **IRISH ECONOMY EXPENDITURES**

Irish economy expenditures increased by £2,384m (55.3%) to £6,693m over the period 1990-1996, an annual average rate of growth of 7.6% in real terms. In 1996, IEEs increased by £581m (9.5%).

IEEs as a % of sales in foreign-owned manufacturing companies declined from 37.9% in 1990 to 35.2% in 1996. Thus, the domestic impact of every £1 of sales reduced slightly over the period. This is due to lower growth in labour costs (29.2%) and spending on Irish services (52.7%) compared with the growth in sales (67.5%) which occurred over the period 1990-1996.

COMPONENTS OF IRISH ECONOMY EXPENDITURE

- **WAGE AND SALARY EXPENDITURES**

Wage and salary expenditures grew by £454m (29.2%) over the period. The increase per employee was 10.1%, an average real increase of 1.6% p.a.

- **IRISH RAW MATERIALS**

Expenditures on Irish raw materials grew by £923m (76.5%) over the period, an annual average of 9.9% in real terms. In 1996, expenditure grew by £198m (10.2%).

- **IRISH SERVICES**

Irish services grew by £752m (52.7%) over the period, an annual average of 7.3% in real terms. In 1996, foreign-owned manufacturing industry increased purchases of Irish services by £168m (8.4%).

IRISH ECONOMY EXPENDITURES SURVEY
Results for 1996

10. SECTORAL ANALYSIS OF EXPORT DATA FOR IRISH-OWNED MANUFACTURING COMPANIES

The IEE Survey has for the past five years collected export data by broad destination. The objective is to facilitate analysis of the destination trends of manufacturing exports and to measure the level of sensitivity of Irish-owned companies to exchange rate movements.

The **tables below** outline exports of Irish-owned manufacturing companies on a sectoral basis by destination relative to total exports (5a) and as a percent of sales (5b).

TABLE 5a - DESTINATION OF EXPORTS AS PERCENT OF TOTAL EXPORTS - SECTORAL ANALYSIS 1992 - 1996															
Irish Owned Manufacturing Companies Employing Greater than 19															
Sector	UK					Rest of EU					Rest of World				
	'92	'93	'94	'95	'96	'92	'93	'94	'95	'95	'92	'93	'94	'95	'96
Non Metallic Minerals	78	76	82	70	76	12	14	8	14	14	10	10	10	16	10
Chemicals	53	51	48	48	54	33	32	36	35	31	14	17	16	17	15
Metals & Engineering	60	60	58	58	58	24	24	24	25	26	16	16	18	17	16
Food	34	39	36	37	40	45	43	45	42	40	21	18	19	21	20
Drink & Tobacco	82	76	87	85	78	18	24	7	10	12	0	0	6	5	10
Textiles	30	33	30	27	27	54	46	52	54	54	16	21	18	19	19
Clothing, Footwear/Leather	63	63	63	73	59	22	19	17	16	26	15	18	20	11	15
Timber & Furniture	89	89	89	91	94	10	9	10	7	5	1	2	1	2	1
Paper & Printing	82	84	84	84	82	10	9	8	10	11	8	7	8	6	7
Miscellaneous Industry	76	66	73	67	66	21	29	24	29	26	3	5	3	4	8
Total	45	47	47	47	48	37	36	36	35	34	18	17	17	18	18

IRISH ECONOMY EXPENDITURES SURVEY
Results for 1996

TABLE 5b -
EXPORTS AS % OF SALES - SECTORAL ANALYSIS 1992 - 1996
(Irish Owned Manufacturing Companies Employing Greater Than 19)

Sector	Exports as % of Sales					Exports to UK as % of Sales				
	'92	'93	'94	'95	'96	'92	'93	'94	'95	'96
Non Metallic Minerals	9.6	11.0	11.7	13.3	12.7	7.5	8.3	9.6	9.3	9.7
Chemicals	55.3	57.6	56.1	56.3	54.5	29.1	29.3	26.7	26.9	29.6
Metals & Engineering	43.4	48.9	51.3	54.3	55.9	26.2	29.4	29.6	31.6	32.1
Food	39.6	46.7	45.6	52.0	47.2	13.4	17.9	16.5	19.3	18.6
Drink & Tobacco	16.6	28.4	25.4	27.5	30.9	13.5	21.7	22.2	23.3	24.0
Textiles	66.4	70.2	72.6	68.5	70.9	19.9	23.5	21.6	18.7	18.9
Clothing, Footwear/Leather	46.7	50.2	50.3	49.5	59.6	29.4	31.7	31.5	36.2	35.4
Timber & Furniture	34.0	40.8	39.3	40.6	38.4	30.1	36.2	34.9	37.1	36.0
Paper & Printing	17.2	19.0	20.1	18.8	19.2	14.1	16.1	17.0	15.7	15.6
Miscellaneous Industry	29.3	33.9	35.2	37.8	37.2	22.3	22.5	25.6	25.2	24.7
Total	38.8	42.6	42.1	46.2	44.1	16.3	20.2	19.6	21.6	21.2

KEY POINTS:

- Exports as a % of sales in Irish-owned manufacturing companies with 20 or more employees averaged 38.8% in 1992 and 44.1% in 1996. The highest export propensity is in the Textiles sector at 66.4% in 1992 and 70.9% in 1996 (Table 5b). Exports in the Drink & Tobacco sector have exhibited the highest rate of growth (as a % of sales) since 1992 (Table 5b).
- On average 48% of exports of Irish-owned manufacturing companies went to the UK in 1996. On a sectoral basis this ranged from 94% in Timber/Furniture to 27% in Textiles (Table 5a).
- Expressing exports to the UK as an % of total sales (Table 5b) gives some indication of the relative dependence of some sectors of Irish industry on the UK market.

-All sectors, with the exception of Textiles, which showed a decline, increased their relative dependency on the UK as an export market over the period 1992/1996 (Table 5b). Preliminary data shows this trend reversing in 1996 in some sectors i.e. Food, Clothing, Footwear & Leather, Timber/Furniture, Paper & Printing and Miscellaneous. Notwithstanding this, Non-metallic Minerals, Timber/Furniture, Paper & Printing and Drink & Tobacco still have a very high dependence on the UK as a market for their exports (Table 5a).

-In 1996, Irish-owned manufacturing companies exported 21.2% of their sales to the UK which is slightly lower than that exported in 1995 but significantly higher than the 16.3% recorded in 1992.