



# Irish firms must look to foreign markets for growth

By Nicola Cooke

Irish companies need to do more to identify expansion opportunities in other markets, raising the prospect of an increasing number of Irish people working abroad according to Stephen Hughes, director of northern European markets for Enterprise Ireland (EI). "Ireland Inc is shooting itself in the foot by not being in some markets," he said.

"France, for example, is not a difficult market to get into. There are 51 clusters of industry there and the scale of opportunity is huge – you just need to know how to access it. Scandinavia is open to niche players like technology companies. The Dutch, as masters of trade, are amenable to all and Benelux is a logical progression after Britain," he said.

Hughes highlighted business prospects in Britain, with major projects under way ahead of the 2012 Olympics, as well as a school-building programme and plans for three million new homes by 2020. A new underground rail line in London could also present opportunities for Irish firms.

According to the EI annual report, published last week, companies supported by the state agency had total exports

of €13.2 billion last year. Of that, more than €1.4 billion was made up of new export sales.

However, Frank Ryan, chief executive of EI, said that firms faced "a much more challenging global economic environment" than in recent years. "Competition in international markets is intensifying and notwithstanding recent achievements, there is no room for complacency," he said.

EI has published handbooks for businesses considering exporting their products or services, with practical advice for firms and case studies of exporting firms. Among them is Bolger Engineering, a Shannon-based firm that was founded in 1980, but has diversified in recent years, doubling in size between 2005 and 2007. The company identified power generation as a stable and growing sector, winning contracts with FG Wilson in Armagh, and Caterpillar and 3Com in Britain. Ian Bolger, joint managing director of the firm, said that the company had just secured a contract with British Aerospace, and had invested €4 million in a production facility.

"Our short-term focus is further development in Britain and the North's markets, and we see plenty of options there,"

he said. "The strong euro against a weak sterling is a challenge, as is manufacturing in Ireland, with all the wage and non-wage costs. But we know our target market and we have identified the niches where we can build further."

Architecture firm Douglas Wallace has also expanded its business outside Ireland, but has had to lay off 15 of its 175 staff as the Irish economy slows. The firm had turnover of more than €17 million last year, up from €12.4 million in 2006 – with much of the growth attributed to contracts for the design of residential, commercial and retail projects in emerging economies in Europe.

Hugh Wallace, co-founder and chief executive of the firm, said there were opportunities "from Latvia down to Turkey", if Irish firms could identify the right business cases and adapt to different market conditions. "Just like Ireland bypassed the downturn of the 1990s, the likes of the Czech Republic and Poland are doing the same now," he said.

"The Irish have a lot in common with these economies, because they have highly-educated populations who have been willing to travel for work the same way we did 20 years ago. In the Czech Republic,

unemployment is below 5 per cent, and some of these eastern European countries need immigrants to service their growth."

Wallace said that Irish people were well-regarded overseas for their "straight-up personalities and entrepreneurial spirit".

However, he said that companies needed a clear strategy for entering foreign markets, including determining whether they could target other countries from Ireland or needed to set up bases abroad.

"We have clients all over Europe," he said. "People need to understand that the Irish are already out here. Dubai is another example – the Irish practically run the Emirates."



Hugh Wallace



Mary Coughlan with Frank Ryan, chief executive of Enterprise Ireland